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**The 7 P’s of Online Marketing Mix**

7P's of the online marketing mix is a model for marketing decisions, which incorporates the placement, promotion, pricing, products, and more.

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**Online Marketing Mix**

We will go through the 7 P’s online marketing that completely models and expects every aspect of a marketing mix to be online and to apply digital technologies to create a marketing mix for modern business.

A benefit of an online marketing mix in your business model is that understanding every element of your marketing process enables us to create better, highly functioning, and profitable businesses online.

To create and execute a proper [digital marketing strategy](https://engaiodigital.com/digital-marketing/), understanding how different elements of an online marketing mix connects to your business is essential.

How to use this information, you might ask? Every business model has different requirements, while others can benefit directly from complete online methods; others require a more mixed strategy to succeed.

In this article, we hope to give insight on how to build a business model only through online methods. With a little modification, you can utilize and implement it into your business model as well, even if it’s not a 100% online business.

First, we’ll go through what the traditional marketing mix is. Then we will go through each of the P’s individually through the lens of online marketing to benefit an online business model.



**What Is A Marketing Mix**

The marketing mix traditionally consists of four marketing decisions to drive business goals into a specific target market. These four marketing decisions are: Product, Price, Place, and Promotion (Also called the four P’s)

Since the inception of the marketing mix (coined by McCarthy in the 1960 book called [Basic Marketing: A Managerial Approach](https://babel.hathitrust.org/cgi/pt?id=inu.30000041584743&view=1up&seq=1)), the marketing mix has grown to include more core marketing decisions to make it a better tool for business.

The extended marketing mix, also called the 7Ps (Booms and Bitner, 1981), includes the original four with people, process, and physical evidence. The 8 P’s means adding performance as a core decision too. The extended marketing mix is more suitable for services marketing, therefore, for online services as well.

In the 1990s a set of more customer-driven marketing decision, shorten as the C’s were added to enhance the overall marketing mix: consumer, cost, convenience, communication (by Lauterborn), or commodity, cost, channel, communication (by Shimizu)

Using the marketing mix as a framework for business and marketing decisions creates appropriate strategies that are:

* Effective
* Develops business’s strengths while minimizing weaknesses
* Improves competitiveness in the marketplace
* Flexibility and innovation of a business
* Improve team collaboration

### . Demographic Segmentation

Demographic segmentation divides customers into groups based on major life circumstances. Examples of segmentation by demographic include age, gender, income, education, and marital status.

Ecommerce and fashion are two popular industries where demographic segmentation holds sway.

For instance, if a [fashion business](https://blog.hubspot.com/marketing/fashion-brands-on-instagram?hubs_content=blog.hubspot.com/service/customer-segmentation&hubs_content-cta=fashion%20business) owner sells to people in the straight and LGBTQ communities, segmenting customers by gender will help them send relevant product recommendations and messages to each group.

Done right, this helps you get more loyal customers who'd stick with you for a long time.

### 2. Geographic Segmentation

Segmentation by geography divides customers based on location, including country, state, city, and town.

This segmentation makes sense when you run a business with at least two locations in the same town, city, state, or country, or if you ship goods to customers in different geographical regions.

Segmenting customers based on their geography lets you [tailor your messaging](https://blog.hubspot.com/marketing/brand-communication-strategy?hubs_content=blog.hubspot.com/service/customer-segmentation&hubs_content-cta=tailor%20your%20messaging) so you speak like them and speak to them.

By using their slang or stating things they relate with in their locality, they see the thought you put into your content and instantly know that your message is specifically for them.

### 3. Psychographic Segmentation

Examples of segmentation by psychographics include personality, attitude, values, and interests. You can use this segmentation model if you offer multiple services.

For instance, a marketer who writes content about SEO, content strategy, and copywriting could segment their audience based on these interests.

### 4. Technographic Segmentation

Examples of segmentation by technographics include mobile use, desktop use, apps, and software.

What technology people use is helpful to know, whether it's just for your online marketing or for SaaS businesses that rely entirely on technology to deliver their service.

An excellent example is the [Hubspot software](https://www.hubspot.com/pricing/marketing/enterprise?term=annual&products=marketing-hub-professional_1&hubs_content=blog.hubspot.com/service/customer-segmentation&hubs_content-cta=Hubspot%20software&hubs_post=blog.hubspot.com/service/customer-segmentation&hubs_post-cta=Hubspot%20software). When users subscribe to our products — [Marketing](https://www.hubspot.com/pricing/marketing/enterprise?products=marketing-hub-professional_1&term=annual&hubs_content=blog.hubspot.com/service/customer-segmentation&hubs_content-cta=Marketing&hubs_post=blog.hubspot.com/service/customer-segmentation&hubs_post-cta=Marketing), [Sales](https://www.hubspot.com/pricing/sales/enterprise?products=sales-hub-professional_1&term=annual&hubs_content=blog.hubspot.com/service/customer-segmentation&hubs_content-cta=Sales&hubs_post=blog.hubspot.com/service/customer-segmentation&hubs_post-cta=Sales), [Customer Service](https://www.hubspot.com/pricing/service/enterprise?products=service-hub-professional_1&term=annual&hubs_content=blog.hubspot.com/service/customer-segmentation&hubs_content-cta=Customer%20Service&hubs_post=blog.hubspot.com/service/customer-segmentation&hubs_post-cta=Customer%20Service), [CMS](https://www.hubspot.com/pricing/cms/enterprise?products=cms-hub-professional_1&term=annual&hubs_content=blog.hubspot.com/service/customer-segmentation&hubs_content-cta=CMS&hubs_post=blog.hubspot.com/service/customer-segmentation&hubs_post-cta=CMS), and [Operations](https://www.hubspot.com/pricing/operations/enterprise?products=operations-hub-professional_1&term=annual&hubs_content=blog.hubspot.com/service/customer-segmentation&hubs_content-cta=Operations&hubs_post=blog.hubspot.com/service/customer-segmentation&hubs_post-cta=Operations) — we instantly know their priorities and can send them relevant offers and content.

### 5. Behavioral Segmentation

Behavioral segmentation focuses on customer behaviors in relation to your brand.

Examples of segmentation by customer behavior include tendencies and frequent actions, feature or product use, and habits.

This segmentation model is highly relevant when you're running PPC or [YouTube ads](https://blog.hubspot.com/marketing/youtube-video-advertising-guide?hubs_content=blog.hubspot.com/service/customer-segmentation&hubs_content-cta=YouTube%20ads). It ensures you don't consume your ad spend on customer segments that aren't a fit.

### 6. Needs-based Segmentation

Examples of segmentation by customer needs include product or service must-haves and needs of specific customer groups. Take a company like [AppSumo](https://appsumo.com/), for example. They don't only sell software. They market courses.

While a founder may need software, a copywriter may not. Meaning, if AppSumo sends the same email to both a founder and a copywriter, it might not resonate with one group because their needs differ.

### 7. Value-based Segmentation

Examples of segmentation by customer values include the economic value of specific customer groups for the business. Use this customer segmentation model if you sell products or services with high and low pricing.

Let's look at some customer segmentation examples to show how you can apply these models to your segmentation strategy.

## Common Online Shopping Problems Faced by Consumer

Given the sheer number of online shoppers and the value of transactions, it’s natural that we can expect some problems while shopping online. Here’s a list of the top 10 such online shopping problems you might face while shopping online.

Here I’m listing online shopping problems that are common while shopping for both goods and services online.

### 1. Refunds for Cancelled Orders & Returns

Obtaining refunds for canceled orders and returns is a prevalent issue faced by consumers when shopping online. While major online retailers such as Amazon typically process refunds within a few days, this may not be the case with smaller retailers.

Some may cancel part of an order and take weeks to issue a refund, while others may require multiple calls or emails to customer service to follow up on the refund process.

Additionally, some retailers may deduct money from the refund amount for taxes or service charges. To avoid these issues, it is important to thoroughly read the return and refund policy before making a purchase from any online store.

### 2. Price Drop Immediately After Ordering

Unfortunately, this is a very common problem with online shopping that I encounter, even on respectable websites such as Amazon.

They make something known as ‘Lightning Deal’ or ‘Deal of the Day’ when you leave something without ordering in your basket. This means they’re reducing the price to encourage you to place the order.

However, upon placing the order, you’ll discover that the original price has dropped even below the ‘Lighting Deal’ or such special offers. This can be very infuriating. In fact, I would even state that such a practice borders on cheating.

When you call customer care, they’ll simply inform you that the seller is offering a lower price, and hence, Amazon has no control over that. You could cancel the original order and await the refund before placing a new one.

Also read: [Ways To Stop Spending Money On Useless Stuff](https://moneyconnexion.com/buy-useless-stuff.htm)

### 3. Powerless Customer Care Agents

Some of the top online retailers are guilty of not investing enough resources to effectively handle customer complaints. I have personally experienced customer service agents who apologize but fail to take action to solve the problem.

They may claim to understand and sympathize with the situation, but this is often a tactic to deflect anger away from the retailer without actually addressing the issue. When requesting to escalate the problem to a senior manager, these agents may claim they are unable to transfer the call or that a senior manager would not be able to help.

This is a frustrating aspect of customer service for many online retailers, and if faced with this issue, it is advised to bring it up to a consumer court or forum for resolution.

### 4. Receiving Goods Returned by Others

We’ve to remember that most top online sellers don’t really store the products they’re selling. Instead, they have a network of suppliers and retailers who will fulfill your order. And often, these retailers will send you goods that have been returned by others.

That’s because they’re not going to throw away something and bear losses just because some unhappy customer returns the stuff. Instead, they’ll repack it and send it to other buyers.

It’s very simple to find out whether the seller has indeed sent you something that could’ve been returned by someone earlier.

For example, a shirt or dress will show slight stains when you examine it carefully. It could also carry the body odor of the person that wore it earlier to try.

This is not the case with readymade garments only. A closer look at the packaging of some items will reveal it was opened earlier and the seller has hastily sealed it with tape or adhesive.

If it’s an electronic item, you’ll find the wires aren’t exactly the way a company would pack them and that someone has done a shabby job of trying to repack the stuff to palm it off to other unsuspecting buyers.

If you receive such goods, return them immediately and seek a replacement. No seller or online store has the right to send stuff that’s been rejected by some earlier customer. And if replacements aren’t available, as for full and unconditional refund.

### 5. Goods Don’t Match Description

Receiving goods that don’t match the description on the online store is yet another common problem with online shopping.

Though larger online stores have freelancers and part-time workers check for incorrect descriptions and wrong product images, some sellers insert misleading information deliberately. They might want to tempt buyers by using the wrong tactics.

At the same time, we’ve to give the benefit of the doubt to some online stores and sellers. They might not be selling goods that don’t match the description on purpose. Instead, it could be a simple oversight or delay in updating pictures and information.

For such online shopping problems, the best solution is to return the stuff immediately. Unless, of course, you like what you receive.

There’re times when I personally have received stuff that’s much better than the one I had ordered. If you believe the price is right and the product is better than what you expect, keep the stuff and don’t return it.

### 6. Delivery Charges

Online shopping can be convenient as it saves time and often offers discounts, but there are drawbacks as well. Some products on Amazon and other online stores do not qualify for free delivery, even for Amazon Prime members.

This can lead to additional delivery charges and taxes, making the final cost of the product more expensive than buying it in-store. To avoid these issues, consider shopping from online stores that offer free delivery or lower prices or shopping in-store.

It's also a good idea to look for alternative products or to carefully read the terms of free delivery, as some sellers include the delivery charge in the final cost of the product without disclosing it.

### 7. Fake Reviews on Online Stores

Thousands of reviews, even on top online stores such as Amazon, Walmart, and eBay, are fake and paid for by sellers of various products, states America’s top news channel and website, CNBC.

Unfortunately, thousands of customers fall victim to such fake reviews and buy poor-quality stuff. There’re countless online sellers that sell products through [popular shopping sites](https://moneyconnexion.com/online-shopping-websites.htm).

People [get paid to post reviews on Amazon](https://moneyconnexion.com/become-an-amazon-reviewer.htm) and other sites, and these sellers try to buy reviews from people using social media and other channels.

Though top online stores try and remove fake reviews, there’re no known ways to stop the practice. Instead, you’ll have to detect fake reviews and tall claims yourself before making a purchase.

[MarketWatch.com](https://www.marketwatch.com/), owned by DOW-Jones, provides some tips on how you can detect fake reviews on online stores.

I suggest you read this article carefully to make sure you don’t fall victim to such fake reviews and inadvertently end up buying poor-quality stuff. Of course, we also reserve the option of returning the stuff to a seller if the facility is available.

### 8. After Sales Service on Electronics

Buying electronic appliances online helps us get hefty discounts and also the facility of paying in Equal Monthly Instalments (EMIs). This enables us to own that dream and expensive smartphone or the latest TV set easily.

In fact, some of the stuff that we get online isn’t available from brick-and-mortar stores in our area, which adds to the pleasure of owning it.

Despite these advantages, buying such goods can become a major hassle at a later date. And that’s when we require after-sales service.

To begin with, some online sellers will provide only a three or six months warranty despite the manufacturer giving a one-year warranty from the date of purchase.

Secondly, online stores don’t really stamp and sign a warranty card since that involves opening the product packaging. They ask you to consider the invoice as proof of purchase and warranty.

And very often, service centers for the brand of the electronic item aren’t available at our location.

To avoid such a major problem, read all terms and conditions of the product warranty beforehand. And check whether a service center is available in your area. Also, retain the invoice carefully.

In most cases, invoices are printed on thermal paper and are prone to fading within a very short time. If that happens, download a proper invoice from the online store and retain it in your records or take a photocopy of the original invoice that comes with the product.

### 9. Online Payment Security

[Online payment security is one of the major problems](https://moneyconnexion.com/payment-methods-shopping-online.htm) you could encounter while shopping online. There’re several ways this occurs.

Shoulder Surfing is the most deadly among these, according to the US Department of Justice and Federal Bureau of Investigation.

In simple terms, it means criminals watching over your shoulder as you make online purchases using a mobile device and credit or debit card from a public place.

These criminals can steal your credit card, debit card, and other details as part of a very serious crime, identity theft.

The second is when you make online purchases from unknown stores. Though some such stores will appear as legit and large businesses, they’re nothing more than frauds.

They will steal your personal and financial details as part of identity theft when you make an online payment. And in the least: they would just take your money without delivering the order.

The third type isn’t that serious and can occur due to poor Internet connectivity or problems with a payment gateway or the systems of an online store.

Your payment gets debited from a bank account, credit card, or debit card but the online store app or website indicates it failed.

In such cases, you can contact your bank or the online store and get a refund when you provide proof of the debit transaction.

### 10. Delivery Delays

And finally, another very common problem with online shopping you can face while shopping online: delivery delays. This can occur due to several reasons.

Generally, bad weather is the biggest culprit since delivery agents can’t drive vehicles in heavy rain, snow, or stormy conditions because they wish to avoid traffic accidents.

In other cases, a courier or logistics company could face delays in getting your shipment for delivery because of the non-availability of the fleet, delays in processing the package, or late arrivals from the point of origin.

A lot of delivery delays also occur because customers fail to provide the accurate address with landmarks. Or when you’re not at home or the office to receive the delivery.

Most online stores allow you to select timings for the delivery of your goods. That helps them schedule deliveries according to your convenience. But sometimes it’s not possible for them or you to be present at the delivery address due to any reason.

You could avoid some of these problems by providing the right address and making sure you’re available to take delivery.

In this article, we explore the 7 P’s through the opportunities that online marketing presents.

**Product**

In an online marketing mix, the product has to be 100% online, meaning the product has no physical features. For example, selling traditional products on an online store won’t be good enough.

We have to look at the online product as something scalable in nature, which processes all revolve around being online such as:

* The creation and management of the product
* The pricing of the product
* Distribution of the product

If every step is online, you have achieved a genuinely scalable online product.

When creating an online product in an online marketing mix, we need to think about all the aspects that surround the product itself. Let’s think about the subject through questions that potentially helps us deliver a better online product.

* What is the online brand of the created product?
* Does the online product have a product line or a set of products in a range?
* What are the extra services around the product?
* How would the end cycle of the online product look? Is it upgradeable, or is it update-based, for example?
* What are the guarantees of the said online product?
* How to design your online delivery?
* How to design an online product?
* What features to include?
* The quality of the online product?

Answering all the questions above, you’re closer to producing a high-quality online product to modify your business model.

**Online product Ideas**

When looking at what types of online product ideas, we could include in the product section of our marketing mix. There are a couple of choices we can explore.

A prominent place to start is producing software with online distribution. Then there are product ideas that revolve around content: such as building downloadables (eBook, online courses) or creating high-quality content that functions as the product itself like a set of articles and blogs.

Digitalization of services also enables them to some extent being an entirely online experience for your customers, for example, online consulting services. At the same time, while distribution is online, it still would require the physical presence of the personnel as of now, making scale harder to achieve.

One way of innovating new online products and business models is by redefining existing physical products into a digital space. For instance, music and video streaming changed from a physical experience into a completely digital product.

When transforming into new online products, the combination of the decisions in the online marketing mix helps you develop for better outcomes. A critical defining factor of your online products would be its place of distribution or a pricing strategy.

**Price**

Price in an online marketing mix refers to the cost of a product your customer will pay. In the price, we need to include secondary factors, for example, what is the customer’s perceived value of an online product and consider how much time it takes for a customer to acquire a product.

Including customers, time spent on acquiring your products in the pricing strategy helps you develop more accurate pricing for your products. We associate online products with being instant in the acquisition, but in most cases, there are multiple steps involved for the customer.

For example:

* Pre-registration and registration
* Onboarding
* Checkout and purchase process length
* Download times

A long acquisition time increases the cost for the customers, which leads to a loss of sales.

Pricing online products the right way is the method of increasing revenues with scale. Inefficient pricing strategies will, in the end, become the end of the product. As with more scale, the smaller issues scale too.

An excellent pricing strategy includes the use of discounts, payment terms, and has opportunities for allowances.

**Pricing Strategies of Online Marketing**

If we look at the price with three typical pricing strategies like:

* The SaaS (Software as a Service, model, where a subscription gives access to an online product)
* Single purchase model (One price for one product for a one-time purchase)
* The free model (The product itself is free, and the monetization is through other means) both have their pros and cons to consider in your pricing strategy.

A subscription model for an online product is beneficial if the product itself is not static, meaning it has updates, levels of complexity of using it, or its upgradeability.

A one-time purchase is beneficial for finished products. When using a one-time purchase pricing strategy, you will have to include that even a finished product requires levels of customer support and onboarding.

A free model is beneficial when the product offers a precise problem-solving capability as free products that don’t have real purposes won’t work. The most common way of monetizing free products is through advertising.

**Place**

Place in the online marketing mix means the place where and how you provide your customers access to your products. In online marketing, there are many options for you to sell on a wide range of platforms and methods.

The best place for your customer comes down to what is the best place to reach and is convenient for your target audience. If we look strictly at online products, what solutions for selling you have? Many such as:

* Social media platforms (Either by selling directly (Facebook Shop) or by referring traffic to another owned channel)
* Dedicated online store ([Shopify](https://engaiodigital.com/shopify-benefits/), WooCommerce), [landing pages](https://engaiodigital.com/what-are-landing-pages/) with purchase features.
* Online marketplaces (Amazon, eBay, Etsy, other niche marketplaces)

The goal of a place in the online marketing mix is to consider the convenience factors for your customers. Enabling the most convenient places for your customers to access your online products is crucial for the overall experience.

Your target audience should guide your decisions on your places, and the product’s online distribution comes down to what is the best distribution model within your chosen place.

When deciding place opportunities in your online marketing mix, the need for figuring out how much market coverage you’re able to reach within that place.

For example, marketplaces (like Amazon or eBay) have more initial coverage due to organic views, although lacking control otherwise. An online store can potentially have broader coverage if there’s a budget available for reaching your audience.

All in all, an owned channel (website, online store) will come necessary for every online business, and the need to expand for other platforms increases the more global your reach and how targeted audiences are.

**Promotion**

Promotion in the online marketing mix is the use of online marketing communication tools to reach your target audiences. Promotion includes the use of online advertising, public relations, direct communication, and sales promotions to reach and influence an audience.

Online marketing offers many effective strategies to choose from to include in your marketing mix. Every business and its online products require different approaches when reaching their customers.

Some methods revolve around directly advertising on a variety of platforms, while other strategies revolve around building authority with the content or gaining a following on [social media](https://engaiodigital.com/social-media-marketing/).

You can’t invest in every channel out there, just because it exists, the need to understand your audience first is crucial for producing and executing an effective marketing strategy online.

Are you restricted by budget, time, locations, technology, or something else, every business can find and utilize effective methods of online marketing to boost their results.

Your initial marketing strategy will have to include your restrictions to avoid plans that you can’t implement properly.

For example, investing in website content to boost your search engine positions takes time, when your business requires revenue today, the strategy won’t help you keep on the lights.

An excellent online marketing strategy includes your business goals with practical methods of gaining them. Innovation in your marketing decisions is essential for keeping [growth achievable.](https://engaiodigital.com/what-is-growth-hacking/)

If we look again at the example of search engine positions, while not increasing your business today, it will in the future, by combining it into your online advertising flow is beneficial in the long run.

**Methods Of Online Marketing Promotion For Consideration:**

* [Search Engine Marketing](https://engaiodigital.com/search-engine-marketing-sem/) (Google, Bing)
* [Search Engine Optimization](https://engaiodigital.com/search-engine-optimization-seo/) (SEO)
* [Content Marketing](https://engaiodigital.com/content-marketing/)
* Online PR
* Social Media Advertising
* [Youtube](https://engaiodigital.com/youtube-advertising/)
* [Pinterest](https://engaiodigital.com/pinterest-ads/)
* [LinkedIn](https://engaiodigital.com/linkedin-ads/)
* [Facebook](https://engaiodigital.com/facebook-ads/)
* [Email Marketing](https://engaiodigital.com/email-marketing/)
* [Partnerships](https://engaiodigital.com/find-business-partners-online/)
* [Learn more marketing channels](https://engaiodigital.com/the-marketing-channels-for-growing-a-business/)

The benefits of online marketing are the ability to track the results used strategies in real-time with the use of [web analytics](https://engaiodigital.com/what-is-web-analytics/). Web analytics in [online marketing](https://engaiodigital.com/why-digital-marketing-analytics-matters-to-businesses/) allows for constant optimization of strategy.

Online marketing develops fast, and new ideas on how to improve your tactics arise often, and improved methods of collecting data helps you find new opportunities all the time.

In promotion, it’s essential to have clear [strategies](https://engaiodigital.com/small-business-digital-marketing-strategies/) on how your brand and its messaging display across platforms. A wide range of platforms can lead to ununified experiences for the customers, and that leads to worsened brand awareness.

Controlling your brand and its communication in online marketing promotion is essential.

**People**

People as a marketing decision in the online marketing mix is crucial. Great products and businesses require people that are involved in the online distribution and personnel who are in direct contact with customers.

To accurately answer the question of people in your marketing mix is to measure and evaluate the interactions between a business and it’s customers and the interactions between personnel and customers.

In the end, it’s the people involved in the company that represents the values of a brand.

How we do, customer service is vital in an online setting when interactions are not physical. Designing better customer support systems where your customers and your employees can interact with each other seamlessly and scalably, enables us to produce a more consistent experience for both.

There are many options and combinations of online support you can introduce into your business workflow. For example, at the most basic, you can integrate social media as a channel for customer support or utilize online reviews (like [Google My Business](https://engaiodigital.com/google-my-business/)) as well.

Depending on the place in your marketing mix, you need to get the most appropriate way of support that functions effectively in that place. For example, an online store or online consulting firm can use chat software to connect support personnel with customers directly on the website.

How we plan our responses and our strategy of keeping our customers happy at all times is a critical marketing decision that, when unanswered will seriously harm any business when they reach a critical mass.

**Process**

The process as a marketing decision in the online marketing mix defines the needed procedures and its optimization of delivering online products and the core experiences of it. What task are necessary for a product to provide its core experience for its users.

Process optimization relies on collected data and measuring the data with key performance indicators (KPIs) in mind. To have an optimized process, a constant need for tracking the success of your operations in your marketing mix is essential.

The better the process we have in place, the more ready we are at scale, and documenting every step we take, increases our chances of understanding the health of a business through the online marketing perspective.

Tracking processes and the performance of the overall system enables us to find critical errors at best before they happen or, at the very least, finding them very early before any significant failures have occurred.

Contextualizing online marketing processes in everything we do in our strategies helps us understand the core principles that make our approach viable at any given time.

**Physical Evidence (Online Evidence)**

In the extended marketing mix, physical evidence refers to the different elements of service experience, such as facilities, interior designs, livery, and post-purchase artifacts (souvenirs).

In an online setting, these pieces of evidence will not have a physical element to them. However, the digitalization of this physical evidence is still possible, and an important marketing decision to have.

Online brand awareness across multiple channels is an excellent example of online evidence. How well these channels expand service experiences, for instance, through the number of followers, likes, and other social engagement metrics.

A website’s design is essential online evidence as, in most cases, it’s the most important channel for an online business. The elements of your website’s design crucially impact the non-human service experiences your customers will face when interacting with your online business.

A controlled and complete multi-channel online experience enables us to enhance our online evidence in a way that improves our marketing decisions significantly.

**Conclusion**

Including the model of 7 P’s of online marketing into a company’s marketing decisions flow will develop a better marketing strategy for your business.

The benefits of marketing decisions around product, price, place, promotion, people, process, and physical evidence are vast. Businesses that understand how to connect all the pieces can improve their competitiveness in the marketplace through marketing.

While the article centers around using an online marketing mix with only online methods, the reality is that many companies are a combination of physical and online. The goal here is to, through an extreme example, showcase the opportunity that online marketing can have on modern business.

Showing what is possible enables us to think about our businesses in a different light to maximize its potential performance.

### Consumer Decision Process

This chapter has examined many of the factors that influence consumer buying behavior, but behind the visible act of making a purchase lies an important decision process that takes place before, during, and after the purchase of a product or service. [Figure 3.12](https://openstax.org/books/principles-marketing/pages/3-3-the-consumer-purchasing-decision-process#fig-00001) shows the five stages of the consumer decision process.

Figure 3.12 The Consumer Decision Process (attribution: Copyright Rice University, OpenStax, under CC BY 4.0 license)

A buyer passes through five stages of the consumer decision process when making choices about which products or services to buy. Let’s examine each, starting at the beginning.

### Stage 1: Need Recognition

The buying process starts when you sense a difference between your actual state and your desired state. This is referred to as problem awareness or need recognition. You might become aware of a need through internal stimuli (such as feeling hungry or thirsty when you’re on a long road trip) or external stimuli (such as passing a bakery and smelling the wonderful aroma of cookies baking).

Sometimes recognizing the problem or need is easy. You’ve run out of toilet paper or milk. But other times recognizing the problem or issue is more complicated. For example, think about this first stage in terms of your decision to enroll in college. What was the stimulus that triggered your interest in attending college? Are you a working adult who has recognized that upward advancement in your company won’t happen without possessing a college degree? Have you long aspired to be an entrepreneur, and you wanted to get some business and marketing courses under your belt so that you’re better prepared for the challenges of entrepreneurship? Perhaps a career in marketing has been on your internal radar since high school, and you’ve decided to take the plunge and get your degree in marketing. Or perhaps, after graduating from high school, your parents gave you an ultimatum—either find a job or enroll in college.

### Stage 2: Information Search

Now that you’ve identified the problem or need, you’ll be inclined to search for more information. There are two different search states. The milder search state is called “heightened attention,” in which you become more receptive to information about the product or service. The stronger search state is called “active information search,” in which you might do some research about the product or service on the Internet (referred to as an internal search), ask friends and/or family members their opinions (what’s known as an external search), or even visit stores to view and touch the product (called an experiential search).

Keep in mind, of course, that not all needs/problems identified in Stage 1 will require this second stage. If you’ve run out of bread or toilet paper, you’re probably not going to do an information search; rather, you’ll just go to the store to buy what you need, and your information search may be as simple as checking prices at the grocery store to see if your favorite brand is available or another brand is on sale. However, purchase decisions of more consequence will usually trigger an information search of some type.

Again, consider the process you went through in deciding which college to attend. What sources of information did you use to find out about the colleges or universities you considered attending? Did you look at their websites, talk with friends or family who attended that school, or perhaps even visit the campus and meet with an admissions counselor?

### Stage 3: Evaluation of Alternatives

Consumers are said to view a product or service as a “bundle of product attributes,” and you evaluate several attributes of a product or service in reaching your purchase decision. For example, if you’re buying a smartphone, you’ll consider factors such as battery life, speed, storage capacity, or price. If you’re booking a hotel, you’ll probably consider its location, cleanliness, free Wi-Fi, whether it has a free breakfast in the morning or a pool, and of course price.

What bundle of attributes did you use when evaluating your college alternatives? You may have considered factors such as location, size of the campus, whether the school had the program of study you wanted, if it had online learning, and cost.

### Stage 4: Purchase Decision

This stage involves actually reaching a decision on the purchase of the product or service. One way people navigate all the information, evaluations, and choices in their purchase decision is to use heuristics—mental shortcuts or “rules of thumb.” Heuristics are types of preexisting value judgments that people use to make decisions.

For example, do you believe that the more expensive product is always of higher quality than the lower-priced product? That’s known as the price = quality heuristic. Brand loyalty is another heuristic people use in reaching their purchase decisions. For example, do you eat cereal? Do you always buy the same brand, or do you buy whatever’s on sale or a brand for which you have a coupon? Country of origin is still another heuristic. Given a choice, do you prefer to buy products made in the United States versus products made in other countries?

How did you make your purchase decision to enroll in your college or university? What heuristics did you use?

### Stage 5: Post-Purchase Evaluation

After purchasing the product or service, you’ll experience either satisfaction or dissatisfaction. You may have second thoughts after making a purchase decision, and these doubts lead to cognitive dissonance, or buyer’s remorse—tension caused by uncertainty about the correctness of your decision. This may lead you to search for additional information to confirm the wisdom of your decision in order to reduce that tension.

What determines if a consumer is very satisfied, somewhat satisfied, or dissatisfied with his or her purchase? Satisfaction is a function of the closeness between the buyer’s expectations and the product’s perceived performance. If the product’s performance falls short of expectations, you’ll be dissatisfied. If the product’s performance meets your expectations, you’ll be satisfied, and if the product’s performance exceeds your expectations, you’ll be very satisfied.

Think about the purchase decision you made when you decided to enroll in your college or university. Are you very satisfied, satisfied, or dissatisfied with your decision? Refer to [Table 3.1](https://openstax.org/books/principles-marketing/pages/3-3-the-consumer-purchasing-decision-process#table-00001) for a summary of the five stages of the consumer decision process.

**Distribution** **channels** are paths that a product goes through, from the manufacturer to the end-user.

Main distribution channels include wholesalers, retailers, brokers, and delivery companies. The purpose of distribution channels is to ensure the timely arrival of goods and prevent delayed sales. Distribution channel decisions refer to selecting distribution **types, levels, and strategies**.

Distribution is also one of the four [marketing mix](https://app.studysmarter.de/link-to?studyset=3784034&summary=25195290&language=en&amp_device_id=0cd5tfkd76dTbQT_yTbBBL) elements. As a result, it can significantly impact a product's positioning, pricing, and promotion:

* **Impact on positioning:** Products distributed in a few outlets enjoy a more luxurious image compared to those sold in multiple outlets.
* **Impact on pricing**: Commission paid to middlemen can affect the price of the goods. Also, local goods may be less expensive than foreign goods as they have a shorter distribution channel.
* **Impact on promotion**: Without wholesalers and distributors, businesses must market and deliver the products themselves, which could consume a lot of resources. On the other hand, [outsourcing](https://app.studysmarter.de/link-to?studyset=3784058&summary=25195319&language=en&amp_device_id=0cd5tfkd76dTbQT_yTbBBL) tasks to a third-party distributor allows the firm to reach a wider market with less effort.

## International distribution decisions

International distribution decisions are one of the strategic decisions made by**global companies**. The decisions include choices of products to sell overseas, the difficulty in delivery, and the degree of control the company wants to have over the selling process.

There are three ways to distribute your products in the foreign market:

1. **Set up international departments:**The company directly enters a market and takes full control over distribution. For example, Amazon set up fulfillment centers all over the world to pick, pack, and ship products to customers.
2. **Partner with distributors:**This strategy involves getting export companies to sell your products overseas so that you don't have to worry about shipping and complex procedures. This is the easiest and fastest way to extend your product reach. For example, motorsport startup Formula E uses Deutsche Post DHL to transport race cars, batteries, charging units, and media equipment to urban areas around the world.
3. **Sell your products online:** This strategy involves using the internet to sell your product over the world. However, you may still need to partner with local distributors for shipping. For example, eCommerce stores sell clothes, technology, and most consumer goods.

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Types of distribution decisions

There are four types of distribution decisions:

### Direct selling

In direct selling, the product goes directly from **the producer to the customers**.

An example is a local bakery that sells bread directly to people in the neighborhood.

It's hard for companies with a direct channel to scale quickly as a producer is the sole distributor. However, the perks are that they can offer faster delivery service and don't have to pay commissions for [intermediaries](https://app.studysmarter.de/link-to?studyset=6615936&summary=40471206&language=en&amp_device_id=0cd5tfkd76dTbQT_yTbBBL).

A commission is a fee for a service. It is often calculated as a percentage of the total [cost](https://app.studysmarter.de/link-to?studyset=5702343&summary=36778480&language=en&amp_device_id=0cd5tfkd76dTbQT_yTbBBL).

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### Indirect selling

In indirect distribution channels, products are delivered by [**intermediaries**](https://app.studysmarter.de/link-to?studyset=6615936&summary=40471206&language=en&amp_device_id=0cd5tfkd76dTbQT_yTbBBL). These [intermediaries](https://app.studysmarter.de/link-to?studyset=6615936&summary=40471206&language=en&amp_device_id=0cd5tfkd76dTbQT_yTbBBL) can be wholesalers, retailers, or brokers.

An example is a chocolate maker distributing chocolates in grocery stores.

The indirect distribution offers a wider customer reach while saving the producer a lot of time and effort in distribution. However, manufacturers will have less control over the selling process and must split pay commissions to intermediaries.

### Dual distribution

Dual distribution is the combined strategy of direct selling and selling through intermediaries to maximize product reach.

An example is M&M chocolate which can be purchased at both M&M's own stores and retailers like supermarkets, department stores, gas stations, etc.

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### Reverse channel distribution

Reverse channel distribution is the channel where products flow from consumers back to retailers and manufacturers.

Examples of reverse channels include containers (e.g. bottles, wine glasses) being returned to the store after use, and faulty products being recalled (withdrawn from the market).