

Learning goals

- ✓ Explain what “place” means in the marketing mix
- ✓ Describe the main channels of distribution
- ✓ Explain e-commerce and m-commerce
- ✓ Analyse the best way to reach customers for a business

Key words

- Place** How a product reaches the customer — its channels of distribution.
- Retailer** A business that sells products directly to consumers.
- Wholesaler** A business that buys in bulk and sells on to retailers.
- E-commerce** Buying and selling goods and services online.
- M-commerce** Buying and selling using mobile devices.

What you need to know



e-commerce: producer sells direct to customer

Channels of distribution carry a product to the customer.

1. Channels of distribution

Place is about how a product **reaches the customer** — the **channels of distribution**. The main channels are **retailers** (sell directly to consumers), **wholesalers** (buy in bulk from producers and sell on to retailers), and **telesales** (selling by phone). A product might pass through several of these before it reaches the shopper.

“Getting a great product to the wrong place, or making it hard to buy, will still lose the sale.”

Test yourself

Cover the answers below, answer Q43–Q48, then check.

Q43 What is “place” in the marketing mix?

Q44 Give three channels of distribution.

Q45 What is a retailer?

2. E-commerce and m-commerce

E-commerce is buying and selling **online**; **m-commerce** is doing so using **mobile devices** such as smartphones (for example an order-ahead app). These extend a business's **reach** — even to international markets — and let customers buy any time. The **benefits** are a wider market and convenience; the **drawbacks** are delivery and website costs, and much more online competition.

Q46 What is a wholesaler?

Q47 What is e-commerce?

Q48 What is m-commerce?

ANSWERS

A43 How a product reaches the customer — the channels of distribution.

A44 Retailers, wholesalers and telesales.

A45 A business that sells products directly to consumers.

A46 A business that buys in bulk from producers and sells to retailers.

A47 Buying and selling goods and services online.

A48 Buying and selling using mobile devices such as smartphones.