

## 89 - Product Hierarchy

A product hierarchy represents the way a company organizes its product range. It shows how products compare in their features, pricing and distribution channels.

**Product family:** Includes all the product categories offered by a company. A large product family helps an enterprise target diverse customer segments. A product family represents a related group of products used for forecasting, capacity planning and other works.

**Product category:** A group of products within a product family similar in features and reaching out to the same market segments. Usually, products within a category can be substituted with one another.

**Product line:** A group of related products similar in pricing, distribution channels and product features. Product line expansion is an important aspect of enterprise marketing strategy.

**Product type:** A group of products that represent the several forms of the product within a product line.

**Item:** The final variant and the unit with which suppliers and customers carry out transactions. The product unit customers finally get to buy and experience.

### Passenger Cars (Family)

