

3.3.1 CLASSIFICATION

The decisions about the product types to be offered represent the most critical decisions in determining the future of a company. The management must first decide what products to offer in the market place before other intelligent product decisions pertaining to the product's physical attributes, packaging branding, and so on, can be made. There are two distinct levels at which such changes take place, namely:

- I) The product-mix level
- II) The product-line level

The Committee on Definitions of the American Marketing Association has defined product-mix as 'the composite of products offered for sale by a firm or business unit'. The same committee has defined product-line as 'a group of products that are closely related either because they satisfy a class of need, are used together, are sold to the same customer groups, are marketed through the same type of outlet or fall within given price range'.