

PRODUCT CANNIBALIZATION IN A MULTI-BRAND PORTFOLIO WITH SPECIAL REFERENCE TO HUL

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EXECUTIVE SUMMARY

Hindustan Unilever Limited (HUL) sells more than fifty brands across home care, personal care, and food categories in India. In several of these categories most visibly soaps multiple HUL brands compete directly for the same shopper, at similar prices, on the same shelf. This case study examines that internal competition, known in business terms as cannibalization, and asks when it helps HUL and when it hurts it.

The central finding is that internal competition is not, by itself, a problem. It becomes a problem only when it is unplanned when it happens by accident because pricing, promotions, or brand positioning across sister brands are not coordinated. When it is planned used deliberately to occupy a market segment before a competitor can internal competition is one of HUL's most effective defensive tools.

This study traces HUL's history and structure, explains why India's scale and diversity make a wide brand portfolio commercially rational, and examines two real brand pairings in detail: Dove and Pears, and Lux and Dove, as examples of managed, planned overlap; and Lifebuoy and Hamam, as an example of how HUL actively works to prevent overlap from becoming unplanned and value-destroying. It closes with a set of practical recommendations that apply to HUL and to any company managing several brands within one category.

Keywords- Product Cannibalization, Product Portfolio, HUL

1. INTRODUCTION TO CANNIBALIZATION

Every company that sells more than one product in the same category faces a quiet, ongoing question: are my products winning customers from competitors, or are they simply winning customers from each other? This second scenario is called cannibalization. In simple terms, cannibalization happens when a new or existing product takes away sales from another product made by the same company, instead of taking sales away from a rival.

The word itself sounds alarming, and in many boardrooms, it is treated as a danger to avoid. But cannibalization is not automatically bad. A company that deliberately launches a cheaper or premium version of its own product to pre-empt a competitor is cannibalizing itself on purpose, and often profitably. The real problem arises when cannibalization is unplanned — when it happens by accident, drains profit, confuses customers, and goes unnoticed until quarterly numbers start looking strange.

This case study looks closely at how Hindustan Unilever Limited (HUL), India's largest fast-moving consumer goods (FMCG) company, manages this exact tension across a portfolio of more than fifty brands. HUL is an unusually good subject for this topic because very few companies in the world run so many brands in the same categories — soaps, detergents, shampoos, skin creams — at the same time. If cannibalization is a puzzle every multi-brand company must solve, HUL has been solving it, in public, for nearly a century.

Through the rest of this study, the term 'cannibalization' will be used in its business sense throughout: internal competition between a company's own products, not the biological meaning of the word. The distinction matters because getting comfortable with the term is the first step to using it strategically rather than fearing it.

2. WHY THIS CASE STUDY

Most discussions of competition in business focus outward — how does Company A beat Company B? This case study deliberately turns the lens inward. It asks a less common but equally important question: how does a company manage competition against itself?

There are three reasons this question, and HUL as an example, deserve close attention.

2.1 It is a universal problem, but rarely discussed openly

Almost every large consumer company — from car makers launching a new model next to an old one, to smartphone brands releasing a budget phone beside a flagship — deals with cannibalization. Yet very few companies explain, in plain language, how they decide when internal competition is acceptable and when it is dangerous. HUL's brand history offers enough public information to study this decision-making in detail.

2.2 HUL runs the experiment at an unusual scale

HUL sells soaps, detergents, shampoos, skin care, oral care, and packaged foods under dozens of brand names, many of which compete in the very same shelf space, at similar prices, for the same customer. This is not an occasional overlap; it is the normal state of the business. Studying HUL means studying cannibalization management as a everyday discipline rather than a rare event.

2.3 The lessons travel well beyond FMCG

The logic HUL uses to separate its soap brands by price, fragrance, and purpose is the same logic that technology companies use to separate product tiers, that airlines use to separate cabin classes, and that banks use to separate savings products. A reader who understands how HUL prices Lifebuoy against Hamam, or Dove against Pears, will recognize the same thinking the next time a company launches a product that looks suspiciously similar to one it already sells.

A company that never cannibalizes itself is usually waiting for a competitor to do it for them.

3. BACKGROUND: HINDUSTAN UNILEVER LIMITED

Before analyzing cannibalization inside HUL's portfolio, it helps to understand the company itself — its scale, its history, its business verticals, and why India is such a special market for this kind of brand-heavy strategy in the first place.

3.1 Company Snapshot

Hindustan Unilever Limited is a subsidiary of the global consumer goods group Unilever and is listed on India's stock exchanges under the ticker HINDUNILVR. It is widely regarded as India's largest fast-moving consumer goods company, present in most Indian households — commonly cited as roughly nine out of every ten homes in the country use at least one HUL product. The company employs upward of eighteen thousand people directly and works with a much larger network of distributors, retailers, and manufacturing partners across the country.

In its most recent full financial year, HUL reported a turnover in the range of about sixty-three thousand crore rupees, alongside high single-digit to double-digit growth in revenue and

profitability, reflecting a business that continues to expand even as it manages a very mature, very crowded product portfolio. These figures move from year to year, and any reader consulting this case study for investment purposes should check HUL's latest annual report for current numbers; what does not change year to year is the underlying structure of the business, which is the real subject of this study.

3.2 Business Verticals and Product Portfolio

HUL organizes its business into a small number of broad categories, each of which contains several competing internal brands:

- Home Care — laundry detergents and household cleaning, including Surf Excel, Rin, and Wheel.
- Beauty and Personal Care — soaps, skin creams, and cosmetics, including Lux, Lifebuoy, Dove, Pears, Hamam, Pond's, and Vaseline.
- Personal Care — hair care and oral care, including Clinic Plus, Sunsilk, TRESemmé, and Pepsodent.
- Foods and Refreshment — tea, coffee, and packaged food, including Brooke Bond, Lipton, Bru, Knorr, and Kissan.
- This structure — many brands stacked inside a few categories — is the single most important fact for understanding cannibalization at HUL. In most categories, HUL is not simply competing against rival companies like Godrej, Nirma, or ITC; it is also, deliberately, competing against itself.

The soap and personal wash category, which is the primary focus of this case study, illustrates the pattern clearly:

Brand	Core Positioning	Target Price Tier	Primary Consumer Promise
Lifebuoy	Mass hygiene	Value / Mass	Affordable germ protection for the whole family
Lux	Beauty and glamour	Mid to Premium	Fragrant, film-star associated beauty soap
Dove	Modern skin care	Premium	One-quarter moisturizing cream; softer skin
Pears	Heritage gentleness	Premium	Transparent, glycerin-based, gentle on skin
Hamam	Herbal / regional wellness	Value to Mid	Natural, neem and turmeric-based family soap

At first glance, five brands making similar cleanliness and skin-care claims might look like unnecessary duplication. As the rest of this case study shows, the differences in positioning, price tier, and target consumer are deliberate, and are precisely what keeps most of the overlap between these five brands planned rather than accidental.

3.3 Share Price and Market Position

HUL has historically traded as one of the most richly valued large-cap stocks on Indian exchanges, reflecting investor confidence in the predictability of FMCG demand and the strength of its distribution network, even during periods when volume growth has slowed. Its market capitalisation has, at various points, placed it among the largest listed consumer companies in the country. Share price performance for a company of this size responds less to any single brand launch and far more to broad indicators: rural demand recovery, raw material and commodity costs (particularly palm oil and crude-linked inputs), and the pace of

premiumization across its categories. For the purposes of this case study, share price is treated as an outcome of portfolio health rather than a driver of brand strategy — a well-managed portfolio, including well-managed cannibalization, is one of the quieter reasons the stock has traded at a premium over time.

3.4 Why HUL, and Why India

Two features of the Indian market explain why a multi-brand strategy — and therefore internal cannibalization — became necessary for HUL in a way it did not for many Unilever operations elsewhere in the world.

First, India is extraordinarily diverse in income, geography, language, and culture within a single country. A shampoo priced and positioned for a metro consumer in Mumbai may be irrelevant to a rural consumer in Bihar, not because the rural consumer does not want to look after their hair, but because price sensitivity, sachet-based buying habits, and even preferred fragrance differ sharply. Rather than trying to build one brand that serves every Indian consumer, HUL's approach has been to build several brands, each tuned to a slice of this diversity.

Second, India's retail landscape has historically been dominated by small, independent kirana stores rather than large supermarket chains, though modern trade and e-commerce have grown steadily. In a kirana-led market, having several visible brands on a shelf — even competing brands from the same company — increases the odds that a shopper picks an HUL product regardless of which specific brand they trust. Shelf presence, in this sense, is itself a competitive weapon, and it is one reason a seemingly wasteful multi-brand strategy makes commercial sense.

Other Unilever markets, such as the UK or parts of Europe, tend to have far more concentrated retail through a handful of large supermarket chains and comparatively homogeneous income distribution. In those markets, a leaner brand portfolio is often more efficient. India's scale and diversity are precisely what make a wide portfolio — and the cannibalization that comes with it — a rational strategy rather than a mistake.

3.5 A Short History: From Sunlight to Surf

HUL's roots trace back to 1933, when three companies — Hindustan Vanaspati Manufacturing Company, Lever Brothers India Limited, and United Traders Limited — merged to form what was then called Hindustan Lever Limited. Sunlight, one of Unilever's earliest global soap and detergent brands, was among the first products sold in India under this combined entity, introducing Indian households to factory-made soap at a time when home-made soap and traditional cleaning agents were still common.

Over the following decades, the company steadily added brands rather than replacing old ones: Lifebuoy for affordable hygiene, Lux for beauty and glamour, Rin and later Surf for laundry, and eventually Dove, Pears, Hamam, and dozens of others across categories. Each addition was, in effect, a decision to risk internal competition in exchange for capturing a new customer segment before a competitor could. This layered history — brand added upon brand, rarely subtracted — is what has produced today's dense, sometimes overlapping portfolio, and is exactly why cannibalization is not an occasional accident at HUL but a structural, permanent feature of how the company operates.

4. WHY SO MANY BRANDS?

A natural question, especially for a reader new to FMCG strategy, is why any company would deliberately create so many brands that compete with one another. Would it not be simpler, and cheaper, to sell one very good soap and one very good detergent?

In practice, a single-brand strategy leaves money on the table in a market as varied as India's. Consumers do not buy soap for one reason; they buy it for hygiene, for fragrance, for skin softness, for affordability, for a feeling of luxury, or simply out of habit passed down in a household. A single brand can credibly promise perhaps one or two of these things at once. It cannot credibly promise all of them, because promising everything to everyone usually ends up meaning nothing to anyone.

A multi-brand portfolio solves this by letting each brand specialise. Lifebuoy specialises in affordable, everyday germ protection. Dove specialises in gentle, moisturizing beauty care at a premium price. Pears specialises in glycerin-based, gentle, translucent soap with a long heritage. Lux specialises in glamour and fragrance, historically tied to Bollywood and film-star endorsement. Hamam specialises in a herbal, family-hygiene positioning rooted in South Indian markets. Each of these is a distinct promise to a distinct customer — and each, if it did not exist, would represent a customer segment HUL might lose entirely to a competitor willing to make that specific promise instead.

The multi-brand approach also protects HUL against the risk of putting all its resources behind a single name. If one brand suffers a reputational problem, a regulatory setback, or simply falls out of fashion, the company's other brands continue to perform. This portfolio resilience is a well-understood benefit in brand management, and it is one of the clearest justifications for accepting some level of internal cannibalization as the cost of doing business.

5. DEFINING THE CONCEPT IN CONTEXT

With HUL's background established, it is worth returning to the concept of cannibalization and defining it precisely, in the specific context of a company like HUL.

Cannibalization, at HUL, occurs whenever a purchase of one HUL brand happens at the direct expense of another HUL brand, within the same category, without adding a new customer or a new occasion of use to the company as a whole. If a Lifebuoy user switches to Lux, HUL's total soap revenue may barely move, but the mix has shifted — and that mix shift has real consequences for manufacturing planning, marketing budgets, and profit margins, because different brands carry different costs and different price points.

It is useful to separate this from two things it is often confused with. It is not the same as normal category growth, where HUL gains a new customer who previously used a competitor's soap — that is a win, not cannibalization. It is also not the same as portfolio rationalisation, where HUL deliberately discontinues a weaker brand and migrates its customers to a stronger one as a planned strategy. True cannibalization sits in between: unclaimed, often unmeasured, movement of existing customers between a company's own brands.

6. PROBLEM STATEMENT

The central management problem this case study examines can be summarised as follows: when a company owns several brands in the same category, how does it grow total category share without simply reshuffling its own customers from one brand to another — and how

does it tell the difference between reshuffling that helps the business and reshuffling that quietly erodes it?

6.1 Declining Product-Market Share as a Warning Signal

One of the clearest symptoms of a cannibalization problem is when an individual brand's market share within its category declines even while the parent company's overall category share stays flat or grows only slowly. If Lifebuoy's share of the soap market falls by two percentage points in a year, but HUL's total soap share across all its brands falls by only half a point, the arithmetic tells its own story: most of Lifebuoy's lost customers did not leave HUL at all — they simply bought a different HUL soap instead. Left unexamined, this pattern can mislead a brand team into thinking they have a competitive problem, when in fact they have an internal portfolio problem.

6.2 Planned versus Unplanned Cannibalization

The heart of this case study is the distinction between two very different kinds of internal competition.

Dimension	Planned Cannibalization	Unplanned Cannibalization
Origin	Deliberate strategic decision	Unintended side-effect of pricing, promotion, or launch decisions
Objective	Pre-empt competitors; capture a segment before a rival does	None — happens by accident
Measurement	Tracked and forecast in advance	Often discovered only after sales data shows an unexplained dip
Financial effect	Net positive for the company, even if one brand loses share	Often net negative — margin is lost with no new customer gained
Example at HUL	Launching a premium sub-brand to defend against Dove before a global competitor enters India	Two HUL detergent brands running conflicting discounts in the same store during the same week

Planned cannibalization is, in effect, a controlled fire — the company decides where and how much of its own market share to sacrifice and does so because the alternative (losing that share to an outside competitor) is worse. Unplanned cannibalization is closer to a leak — value quietly draining out of the business because two internal teams were not coordinated, because pricing across brands was not reviewed together, or because a promotional calendar was built brand by brand instead of category by category. The single biggest management task this case study identifies is converting as much unplanned cannibalization into planned cannibalization as possible and eliminating the rest.

7. DRIVING FACTORS IN PRODUCT PORTFOLIO DECISIONS

Several forces push HUL toward decisions that carry cannibalization risk. Understanding these forces explains why the portfolio looks the way it does today, and why simply merging brands together is rarely the easy fix it appears to be.

- Income segmentation — India's household income spans an extremely wide range, and a single price point cannot serve both ends. HUL runs brands, and even different pack sizes of the same brand, at price points from a few rupees for a small sachet to premium pricing for larger, higher-margin packs.
- Defensive brand-building — when a global or local competitor is expected to enter a segment (for example, a premium herbal or natural positioning), HUL has often launched or repositioned an existing brand to occupy that space first, accepting some internal overlap as the price of blocking a rival.

- Legacy and heritage — brands like Pears and Lifebuoy carry decades of consumer trust that would be commercially wasteful to discard, even when a newer brand like Dove targets an overlapping audience.
- Regional and cultural relevance — brands such as Hamam have strong regional roots (particularly in South India) that a pan-India brand cannot easily replicate, making regional brand retention a rational, if overlap-prone, choice.
- Retail shelf strategy — a wider range of visible brands increases the probability that a retailer stocks HUL products and that a shopper's eye lands on an HUL brand, even in a fragmented, kirana-dominated retail environment.
- Innovation and line extensions — new variants (a face wash version of a soap brand, a liquid version of a bar soap) are a routine way to grow a category, but each new variant carries a real risk of substituting for an existing product rather than adding incremental volume.

None of these factors are unique to HUL, but their combined effect — across a portfolio this large, in a market this diverse — makes cannibalization risk an everyday planning consideration rather than an occasional event.

8. FINANCIAL IMPACT OF CANNIBALIZATION

Cannibalization is not simply a marketing curiosity; it has direct, measurable effects on a company's financial statements, and these effects differ sharply depending on whether the cannibalization is planned or unplanned.

8.1 Margin Mix Effects

Different brands within the same category often carry different gross margins. A premium brand such as Dove typically carries a higher margin per unit than a mass, high-volume brand such as Lifebuoy, even though Lifebuoy may sell far higher volumes. When a customer switches from Lifebuoy to Dove, total company revenue may rise even if unit volumes fall — this is a favourable mix shift. When the switch runs the other way, from a premium brand down to a mass brand, revenue and margin both suffer even if unit volumes hold steady. Tracking this 'mix effect' separately from total volume is one of the most important financial disciplines in managing a multi-brand portfolio.

8.2 Marketing and Trade Spend Efficiency

Every brand requires its own advertising, promotional discounts, and trade spending to retailers to maintain shelf presence and visibility. When two HUL brands compete for the same customer in the same store, the company is, in effect, funding both sides of an internal advertising contest — a cost that a single competing rival brand from another company does not have to bear. Unplanned cannibalization is expensive precisely because this marketing spend is often duplicated without a corresponding increase in total sales.

8.3 Manufacturing and Supply Chain Costs

A wide brand portfolio also means shorter, more frequent production runs for individual stock-keeping units (SKUs), which typically raises per-unit manufacturing costs compared to fewer, higher-volume product lines. When cannibalization causes demand to swing unpredictably between brands, factories and supply chains absorb the volatility through excess safety stock, expedited logistics, or occasional stockouts — all of which carry a cost that rarely appears explicitly in a brand's own profit-and-loss statement but shows up in the company's overall working capital and logistics expense.

8.4 Net Effect on the Business

The overall financial impact of cannibalization at a company like HUL should be judged not brand by brand, but at the portfolio level. A brand manager whose product loses two points of market share to a sister brand may report a disappointing year; the company, examined at the category level, may have had an excellent year. This is precisely why senior management, rather than individual brand teams, must own the decision about how much internal competition is acceptable — no single brand team has the incentive, or the full picture, to make that call alone.

9. MARKET SHARE SHIFTS WITHIN THE PORTFOLIO

Tracking cannibalization requires looking at market share data differently than a typical competitive analysis. Instead of asking only 'how much share does HUL hold in the soap category', the more useful internal question is 'how is that share distributed across HUL's own soap brands, and how is that distribution changing over time?'

A healthy portfolio shows some natural movement between brands as consumer tastes shift — for instance, gradual growth in premium, natural, and herbal soap variants at the expense of plain, utilitarian bars, mirroring a broader trend of rising incomes and premiumisation across Indian FMCG. This kind of movement is expected and, if it keeps the customer inside the HUL family while trading them up to a higher-margin brand, is a genuine commercial win.

An unhealthy pattern looks different: share moving between HUL's own brands in response to short-term promotional activity, price cuts, or supply disruptions, with no lasting change in overall category share and no improvement in overall margin. This kind of share shift creates the illusion of brand strength or weakness that is not really there — a brand may appear to be 'winning' in a given quarter purely because a sister brand ran out of stock or paused a discount, not because of any real gain in customer preference.

For this reason, sophisticated FMCG companies, including HUL, increasingly track a metric sometimes referred to internally as 'net category contribution' — a brand's performance measured not against its own prior-year sales, but against how much it is growing (or shrinking) HUL's total share of the category, after subtracting whatever it has taken from sister brands. This reframes brand management away from an internal competition for budget and glory, and toward a shared responsibility for total company growth.

10. HOW CANNIBALIZATION HELPS THE VALUE CHAIN

It would be a mistake to treat this case study as an argument against cannibalization altogether. Used deliberately, internal competition strengthens several parts of HUL's value chain rather than weakening them.

10.1 Retail Relationships

Distributors and retailers benefit from stocking a range of HUL brands at different price points, because it lets a single store serve a wider range of customer budgets without needing to bring in a competitor's product. This strengthens HUL's retail relationships and increases the company's overall shelf share — the total physical space occupied by HUL products relative to competitors — even when internal brands are technically competing with one another for the same shopper's attention.

10.2 Defending Category Leadership

A company with only one strong brand in a category is vulnerable: a single successful competitor launch, a single reputational scandal, or a single pricing misstep can materially damage the company's category position. A company with several strong, differentiated brands spreads this risk. If a low-cost regional competitor targets the mass end of the soap market, Lifebuoy is positioned to respond; if a natural or herbal challenger brand emerges, Hamam or a similarly positioned brand can respond, without requiring HUL's flagship premium brand to compromise its own positioning.

10.3 Innovation Pipeline and Talent Development

Running multiple brands in the same category also gives HUL more opportunities to test new product formulations, packaging, and marketing approaches on a smaller scale before committing them to a flagship brand. A successful ingredient or format innovation on a smaller brand can later be rolled out more broadly. The multi-brand structure additionally gives HUL's marketing and brand management talent more opportunities to lead a full brand — a smaller pool of brands would concentrate senior brand leadership roles among fewer people, weakening the company's ability to develop and retain talent over time.

10.4 Supplier and Manufacturing Leverage

A larger, more varied brand portfolio, provided it is not excessively fragmented, gives HUL greater aggregate purchasing volume with raw material suppliers (palm oil, packaging materials, fragrance compounds) than any single brand could achieve alone, even as it complicates individual production planning. The net effect on supplier negotiating leverage is generally positive, offsetting some of the manufacturing inefficiency discussed earlier.

Taken together, these effects explain why HUL has, over decades, generally chosen to add and reposition brands rather than consolidate down to a handful of names — the value chain benefits of a wide, well-managed portfolio have on balance, outweighed the costs of internal competition.

11. PREMIUM FRICTION BETWEEN SISTER BRANDS

Nowhere is the tension between planned and unplanned cannibalization more visible than in HUL's soap portfolio, where several brands sit close enough in price and positioning to genuinely compete for the same shopper's decision at the shelf. This section examines two of the most instructive pairings.

11.1 Dove versus Pears

Dove and Pears both occupy relatively premium ground within HUL's soap portfolio, and both make a promise centred on gentleness rather than glamour or purely functional cleaning. Dove's promise is built around moisturising cream and softer skin, targeted at a modern, aspirational, largely urban consumer. Pears, one of the oldest soap brands sold in India, is built around transparency, glycerin, and a long-standing heritage of gentle, mild cleansing, often associated with sensitive or baby-adjacent skin care.

The friction between the two is real: a shopper choosing a mild, premium soap for sensitive skin could reasonably pick either brand, or HUL's own retail data has, at various points, shown some substitution between them, particularly during promotional periods. HUL manages this friction primarily through fragrance, packaging, and heritage storytelling rather than price alone — Pears leans heavily on its transparent bar and century-plus heritage, while Dove leans on its cream formulation and contemporary, self-confidence-oriented advertising. Where genuine overlap remains, HUL treats it as an acceptable, planned cost: better that a

customer trades between two HUL premium brands than that either loses ground to an external premium challenger such as a competitor's glycerin or dermatologically positioned soap.

11.2 Lux versus Dove

A second, closely related friction sits between Lux and Dove, both of which HUL positions toward the beauty-conscious end of the soap market rather than the purely functional or hygiene end. Lux's historical positioning has centred on glamour, fragrance, and a long-running association with film-star endorsement, appealing to a beauty ideal rooted in aspiration. Dove's positioning, by contrast, is built around real skin care efficacy and a more inclusive, less aspirational notion of beauty.

Because both brands ultimately compete for the same underlying need — a shopper who wants their soap to make them feel beautiful, not merely clean — some substitution between them is unavoidable. HUL's approach has generally been to let Lux compete at a slightly more accessible price point than Dove, and to differentiate through fragrance intensity and marketing tone (glamour versus authenticity) rather than eliminating the overlap altogether. As with Dove and Pears, the calculation is that internal competition between two premium HUL brands is preferable to ceding either audience segment to an outside challenger.

11.3 The General Pattern

In both pairings, the same underlying discipline is visible: HUL rarely tries to eliminate overlap between sister brands entirely, because doing so would usually mean narrowing one brand's promise in a way that leaves an opening for a competitor. Instead, the company manages overlap through fragrance, packaging, price stepping, and storytelling, accepting a controlled, planned level of internal competition as a defensive strategy against external entrants.

12. How HUL Reduces Unplanned Cannibalization: Lifebuoy versus Hamam

Not every brand pairing in HUL's portfolio is managed as a deliberate, planned overlap. Lifebuoy and Hamam illustrate how HUL works to prevent cannibalization from becoming unplanned and value-destroying in the first place.

Lifebuoy is HUL's mass-market, pan-India hygiene brand, historically positioned around affordable germ protection and health, with broad distribution across both urban and rural India. Hamam is a herbal, natural-ingredient soap brand with particularly strong roots in South India, positioned around family wellness and traditional, plant-based ingredients such as neem and turmeric. On the surface, both brands could be seen as competing for a similar budget-conscious, health-and-hygiene-focused household.

HUL reduces the risk of unplanned overlap between these two brands through several deliberate mechanisms:

- Regional weighting — Hamam's marketing spend, and distribution intensity is disproportionately concentrated in South Indian states where its herbal, traditional positioning resonates most strongly, while Lifebuoy is marketed with a more uniform, pan-India hygiene message, reducing direct geographic competition.
- Distinct core promise — Lifebuoy's messaging centres on protection from germs and illness (a functional, almost medical framing), while Hamam's centres on natural ingredients and family wellbeing (a more emotional, heritage framing), so the two brands answer different consumer questions even when sold in the same store.

- Coordinated pricing and promotion calendars — HUL reviews promotional calendars across its soap brands together rather than brand by brand, reducing the chance that Lifebuoy and Hamam run conflicting discounts in the same market at the same time, which is one of the most common causes of unplanned, promotion-driven cannibalization.
- Separate innovation tracks — new product variants (for example, a liquid hand-wash version) are launched under whichever brand's core promise the variant most naturally extends, rather than under whichever brand simply has spare marketing budget that year, keeping each brand's identity and target consumer clear over time.

The broader lesson from this pairing is that unplanned cannibalization is, in practice, most often a coordination failure rather than an inevitable market outcome. When regional focus, core messaging, pricing calendars, and innovation pipelines are actively managed together across brands, a company can capture the benefits of a wide portfolio — shelf presence, segment coverage, resilience — while sharply reducing the accidental, value-destroying overlap that gives multi-brand strategies a bad name.

13. STRATEGIC RECOMMENDATIONS

Based on the patterns examined in this case study, the following recommendations apply broadly to HUL and to any large company managing a multi-brand portfolio in a single category.

- Measure at the category level, not just the brand level. Track total company share of a category as the primary success metric, with individual brand share as a secondary, diagnostic metric — this prevents brand teams from being unfairly rewarded or punished for internal share shifts.
- Separate planned from unplanned cannibalization explicitly. Build a simple internal framework, reviewed at least quarterly, that classifies share movement between sister brands as either a deliberate strategic trade-off or an unplanned leak requiring a fix.
- Coordinate pricing and promotion calendars across brands within a category, rather than leaving each brand team to plan independently, to reduce accidental, discount-driven cannibalization.
- Keep each brand's core promise distinct and simple. Overlap is manageable when two brands answer different consumer questions (protection versus glamour, heritage versus modernity); overlap becomes dangerous when two brands start answering the same question in the same way.
- Use planned cannibalization defensively and deliberately. When a competitive threat is likely in a segment HUL does not yet fully occupy, consider repositioning or launching an internal brand to pre-empt the threat, accepting some internal share loss as a lower-cost alternative to losing the segment entirely to an outside player.
- Invest in regional and demographic differentiation, letting brands like Hamam lean into regional strength rather than trying to compete pan-India against every sister brand on every axis.
- Review the full brand portfolio periodically for genuine redundancy. Even with strong management discipline, some brand pairings may drift into pure overlap over time and be candidates for consolidation, repositioning, or, in rare cases, retirement.

14. FINDINGS

This case study set out to examine how a large, multi-brand company manages competition against itself, using HUL's soap and personal care portfolio as the primary lens. Several findings emerge clearly from the analysis.

First, cannibalization at HUL is not an occasional accident but a structural, permanent feature of running dozens of brands across a small number of categories in an extremely diverse market. The scale of India's population, the range of household incomes, and the fragmented, kirana-led retail landscape all make a wide brand portfolio commercially rational, even though that same width guarantees some level of internal brand overlap.

Second, the distinction between planned and unplanned cannibalization is the single most useful lens for judging whether internal competition is helping or hurting the business. Planned cannibalization, used defensively against likely competitive threats, has generally served HUL well. Unplanned cannibalization, driven by uncoordinated pricing, promotions, or unclear brand positioning, is where real financial value is lost.

Third, HUL's most successful brand pairings — including Dove and Pears, and Lux and Dove — succeed not by eliminating overlap, but by managing it through fragrance, heritage, packaging, and price stepping, so that even overlapping brands answer subtly different consumer questions.

Fourth, brand pairings with a higher risk of unplanned overlap, such as Lifebuoy and Hamam, are best managed through regional differentiation, distinct core promises, and coordinated planning calendars, rather than through price separation alone.

Fifth, and most broadly, the value chain benefits of a wide multi-brand portfolio — stronger retail relationships, more resilient category leadership, a richer innovation pipeline, and greater supplier leverage — generally outweigh the costs of internal competition, provided that competition is actively measured and managed rather than left to chance.

CONCLUSION

Cannibalization is often treated as a warning sign — a symptom of a company tripping over its own product line. This case study of Hindustan Unilever Limited suggests a more useful way to think about it: cannibalization is not a mistake to be eliminated, but a force to be measured, classified, and directed.

HUL's near-century of brand-building shows a company that has repeatedly chosen to add brands rather than simplify, accepting internal overlap as the price of covering India's vast and varied consumer base before a competitor could. Where that overlap has been actively managed — through distinct brand promises, coordinated pricing, and deliberate regional and demographic targeting — it has strengthened the company's overall position. Where it has been left uncoordinated, it has quietly eroded margin and clarity.

The broader lesson, applicable well beyond soap and shampoo, is this: any company that competes in more than one segment of the same category will eventually compete with itself. The winners are not the companies that avoid this entirely, but the companies that decide, deliberately and in advance, exactly how and where they are willing to let it happen.

The goal is not to stop competing with yourself. The goal is to make sure that when you do, you are the one who decided the terms.

GLOSSARY OF KEY TERMS

This case study uses a small number of terms in a specific business sense. They are defined here in plain language for readers less familiar with FMCG and brand-management vocabulary.

- Cannibalization — when one product made by a company takes sales away from another product made by the same company, rather than from a competitor.
- Planned cannibalization — internal competition that a company creates on purpose, usually to occupy a market segment before a rival company can.
- Unplanned cannibalization — internal competition that happens by accident, usually due to uncoordinated pricing, promotions, or unclear brand positioning.
- FMCG (Fast-Moving Consumer Goods) — everyday products, such as soap, detergent, and packaged food, that are sold in large volumes at relatively low unit prices.
- SKU (Stock-Keeping Unit) — a single, distinct version of a product tracked separately in inventory, for example a specific pack size of a specific soap brand.
- Market share — the percentage of total category sales (for example, all soap sold in India) captured by one brand or one company.
- Portfolio — the full collection of brands and products a company sells, often grouped by category.
- Premiumisation — a broader trend of consumers gradually shifting their spending toward higher-priced, higher-quality versions of a product category as incomes rise.
- Trade spend — money a company pays to retailers and distributors, often in the form of discounts or promotional support, to encourage stocking and selling its products.
- Shelf share — the physical amount of shelf space in a store occupied by a company's products relative to competitors.

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