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Entry

The “Pink Tax” and Gender Price Disparity in Personal Care

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Definition: The “Pink Tax” refers to charging higher prices for products and services marketed primarily to women compared to similar or identical items targeted at men, despite comparable production costs. This research uses Unilever as a case study to focus on the impact of the Pink Tax on women’s purchasing power, particularly within the personal care industry. The study provides a comprehensive overview of the Pink Tax’s evolution, key research findings, public responses, and regulatory measures to address this issue. By synthesising existing research and case studies, this paper highlights the economic burden imposed on women and the reinforcement of gender stereotypes through market practices. The study underscores the need for equitable pricing mechanisms and informed consumer advocacy to rectify the economic disparities exacerbated by the Pink Tax.

Keywords: pink tax; gender-based pricing; economic disparity; gendered marketing



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1. Introduction

The Pink Tax has plagued many sectors within companies for decades [1]. It refers to gender-based pricing, where products and services targeted at women are priced higher than similar products marketed to men [2]. Relevant studies and articles will be utilised to highlight gaps in existing research, aiming to raise awareness of the implications arising from the Pink Tax due to marketing and management practices, with a particular focus on a company of choice.

Moshary and Tuchman [3] describe the Pink Tax as a commonly observed phenomenon where products marketed to women tend to be priced higher than comparable products marketed to men. Many studies have documented gender-based pricing across various industries, but this entry will specifically focus on the personal care industry. The products most subjected to the Pink Tax within this industry are razors, shampoo, and deodorant—essential products both genders use. The price disparity becomes more noticeable when these products are subjected to the Pink Tax.

Bhargava and Tara [4] illustrate the higher prices of women’s products in a study that surveyed five categories of products, showing that the overall average price increase for women is 7%. The category with the most significant variation was personal care products. This indicates how companies have moulded society to accept these price increases without question, especially for necessary or socially mandated products, such as razors.

The Pink Tax is prevalent across various sectors through gendered marketing. Corporations have conveniently maximised profits from a segment of their customers without publicly acknowledging this discrimination. Women’s buying power is negatively affected as the Pink Tax burdens them with additional expenses for non-negotiable items. Heavy marketing towards women makes these items seem necessary, resulting in women incurring higher costs than their male counterparts who buy similar, if not identical, products with different packaging and branding.

Companies like Unilever's marketing and packaging strategies contribute significantly to the persistence of gender price disparity [5]. Like many other corporations, Unilever uses specific demographic and gender-targeted techniques, leading to price discrepancies that become normalised. Unfortunately, the Pink Tax extends beyond these companies, as societal ideologies and the culture of mass consumption, combined with pressures of beauty standards and perceptions of femininity, perpetuate the Pink Tax cycle.

This paper seeks to contribute to the ongoing discourse on gender equality in the marketplace by advocating for more equitable pricing mechanisms and raising awareness of the economic challenges posed by the Pink Tax. By focusing on Unilever, the study provides a concrete example of how multinational corporations can influence gender-based pricing and offers insights into potential strategies for mitigating these effects.

2. Literature Review

This section explores the various marketing strategies and product design choices that contribute to the persistence of the Pink Tax in the personal care industry. Specifically, it examines how gendered marketing practices, such as the prevalence of 2-in-1 products labelled "for men" and the lack of similar options for women, reinforce gender stereotypes and lead to pricing disparities. This section uncovers the underlying mechanisms perpetuating gender-based pricing and the economic impact on female consumers by analysing these strategies and their implications. The following subsections delve into specific examples and case studies that highlight these issues in greater detail.

2.1. Pink Tax Types

One of the most common types of Pink Tax is gender-based pricing, where products or services aimed at women are sold at higher prices than those intended for men [6]. This price discrepancy is often not linked to the actual cost of production but rather to the perceived value or branding of the product [6]. For instance, despite being nearly identical in function, women's personal care products like razors and deodorants often cost more than similar men's products [7]. Similarly, women's clothing tends to be priced higher than comparable men's items. This form of Pink Tax highlights how companies leverage gendered marketing strategies to justify these elevated prices [8].

Another form of Pink Tax is seen in differentiated packaging and branding, where companies market the same product to men and women differently by changing the packaging, colour, or overall branding [9]. Products aimed at women are frequently packaged in traditionally feminine colours like pink or pastel shades and are branded with features that align with gender stereotypes [10]. Even when the product is virtually the same, the version targeted at women often comes at a higher price. This form is prevalent across various products, from personal care products to toys, where the only differences might be the product's colour or the packaging's design [1,3]. The perceived added value of this specialised branding is used to justify the higher cost.

Service discrimination is a pervasive form of Pink Tax, where women are charged more for services compared to men, even when the services provided are identical [6]. This fact can be seen in industries where gender-based assumptions or standards often influence pricing structures. For instance, women are frequently charged more for haircuts than men, even for similar styles. Similarly, women may face higher prices for car repairs or dry cleaning, where there is often an assumption that women are less likely to negotiate or question the price [11]. This form of discrimination highlights the underlying biases in service industries that result in higher costs for women.

Luxury and niche marketing is another significant form of Pink Tax, where products or services catering to women's needs or desires are priced at a premium [12,13]. Companies often perceive women as willing to pay more for specific products or experiences, particularly in luxury markets [14]. This strategy is evident in high-end fashion, where women's clothing and accessories are often more expensive than similar items for men. Additionally, wellness retreats and premium skincare or beauty products targeting women usually have

higher price tags [15]. This form of Pink Tax capitalises on the notion that women are more likely to indulge in luxury or niche markets, thereby justifying the higher costs.

Differential taxation is a more structural form of Pink Tax, where certain products essential for women are subjected to higher taxes or are not exempt from sales tax, unlike similar products for men [16]. A prime example is the taxation of menstrual products like tampons and sanitary pads [17]. These essential items are taxed as non-essential or luxury goods in some regions, while other health products are tax-exempt. This discrepancy in taxation policies imposes an additional financial burden on women for products necessary for their health and well-being [18]. Over time, differential taxation has sparked debates and advocacy for more equitable tax policies that recognise the essential nature of these products for women.

These different forms of Pink Tax illustrate how gender-based pricing disparities extend beyond individual products to broader market strategies and societal structures, impacting women's economic lives in various ways.

2.2. Economic Aspects

The solid economic aspect of this topic is apparent either negligently or robustly in many of the articles researched—economist views have clouded the judgment of marketers and companies such as Unilever in their manipulation of prices within the personal care industry, which plays on societal expectations and, in this day and age, norms—which comes at the cost of women. Yazıcıoğlu [19] contends that the 'Pink Tax' concept is challenging to compare because companies like Unilever do not charge different prices to men and women for the same product. However, due to gender socialisation, these companies can sell nearly identical products that are marketed differently to men and women, ultimately allowing them to charge different prices to different segments of society. This unfair price differentiation has unfortunately become accepted in our society because there is no barrier preventing women from purchasing products marketed to men. Some argue that women could choose the cheaper, male-marketed option, but there should not be a price disparity for the same product in the first place. This fact highlights the prevalence of gender price discrimination in the personal care industry, where products for women, such as feminine hygiene items, are often used as a means of imposing an additional financial burden on women. This practice can exacerbate inequality, as women are pressured to conform to societal standards that have been marketed to them from birth.

One finding suggests that for businesses like Unilever to remain profitable, gendering products is essential, as a significant portion of product volume is targeted based on gender. As a result, differentiation is common among gendered personal care products. This differentiation goes beyond just colour and packaging, with minimal overlap in the key ingredients used in products for men and women.

Rostvik [20] researched Unilever as a brand and its history regarding feminine hygiene and culture. This study used data from 1968–1980 and showed the societal view of periods and how Unilever is a large conglomerate. Unilever helped create the baseline of absorbent materials featured in the feminine hygiene products of today. Unilever received anonymous information about women's menstrual habits so that they could collect these data, as it was a taboo topic at this time. The project was called the "hyacinth" project, but this marketing from Unilever to sell feminine products is looked upon now as controversial as the company called and advertised the menstrual cycle as a "7 Day War" which their product would 'defeat'; this was done to make the advertisement acceptable for public consumption. The use of metaphors and coded terminology can still be seen in advertising for brands such as "Tampax". Although a less "taboo" topic, it is uncommon to see blood or even anything red used to indicate menstruation; a blue liquid is used the majority of the time so as not to disturb viewers.

2.3. Social Media Influence

One finding suggests that gendering products is crucial for businesses like Unilever to maintain profitability, with a significant portion of product volume explicitly targeted at different genders. Consequently, differentiation is the norm rather than the exception in gendered personal care products. This differentiation includes not only product colour and packaging but also shows minimal overlap in the primary ingredients used in products for men and women. Bodnar and Cohen [21] conducted research. Their findings showed that social media has a tight grasp and a significant impact on current trends. Influencers gain a following from sharing their opinions, sometimes reinforcing the feminine gender stereotype and consumerism in marketing new “must-have” products.

Pink and other feminine cues signal that a product is designed for women, suggesting that using it will enhance their beauty or reinforce their femininity in society. With gender-neutral items being less common, some women are willing to pay extra to express their femininity.

On top of this, there is also quite a conflict regarding sanitary products, which are essential and highly inelastic. However, these feminine hygiene products are not free. They are priced highly, and, sadly, in many cases, they are not financially accessible for many in the UK and worldwide. Reame [22] studied the phenomena circulating social media within the past ten years. He argues that there are new products that have infiltrated the market and branded themselves as a “safer” and “natural” improvement compared to conventional feminine hygiene products, with it being claimed that organic hygiene products can come with a higher risk of Toxic Shock Syndrome, but these new products that are “better” for your health are 47% more expensive than non-organic alternatives, which shows that, even in products that are only for women, this price disparity and critique of other alternatives are frowned upon and constantly criticised.

Brodesser-Akner [23] argues that celebrities’ use of social media blogs/platforms can be harmful, such as Gwyneth Paltrow who uses her social media blog/platform ‘GOOP’, which is a self-proclaimed ‘wellness and lifestyle brand and company’ that promotes organic and healthier alternatives (and usually astronomically priced, which makes them highly inaccessible). This finding shows how social media can also be harmful in promoting either wrong or extreme views or opinions labelled and marketed as “Facts”, making people buy more and spend more than is necessary. This finding harms women and their buying power as it is disputed by Shapard, J, the co-founder of “Social Shepard”, that 4 out of 10 consumers buy products after being influenced to buy them by an influencer online or in person. This statistic shows that social media is fortifying these views on society for women and harming their buying power.

2.4. Store Design and Layout

Store design is paramount in manipulating products and their price points to consumers. This research highlights how easily consumers can fall victim to the ‘Pink tax’ while carrying out their weekly shopping. Consumers are becoming victimised due to marketing towards them [24]. This has also been proven within the research and the survey, which will be discussed in the findings. It was found that 78.2% of women claim to be their household’s primary food shopper. From this, companies have targeted their marketing towards them and have found how to make them make these impulse purchases and be lured into their product [25].

3. Discussion

Women face significant economic challenges beyond the Pink Tax. Despite progress on the gender pay gap, women in 2022 still earned only 83% of what men earned [26]. This resulted in women spending more of their income on more expensive goods and services, doubling their economic burden.

The Pink Tax, particularly prevalent in the personal care industry, perpetuates economic disparities and reinforces gender stereotypes through gender-based pricing strate-

gies. Major corporations, such as Unilever, use targeted marketing and product differentiation to maximise profits at the expense of female consumers. Research consistently shows higher prices for women's personal care products, even though production costs are similar to those for men's products. This pricing disparity extends to everyday necessities like razors, shampoos, and deodorants, with studies indicating that women's products can cost up to 7% more than men's. Companies exploit societal expectations and norms by gendering products through packaging, marketing language, and store placement, reinforcing gender stereotypes and manipulating consumer behaviour. This fact leads to increased spending by women on products identical to those marketed to men.

Economic analyses suggest that this gender-based pricing is a deliberate strategy to exploit gender socialisation rather than reflecting different consumer preferences. Social media and influencers exacerbate this issue by perpetuating gender stereotypes and promoting consumerism, leading to higher spending on gendered products. The strategic placement of gendered products in stores also manipulates purchasing decisions, highlighting the need for greater transparency and fairness in retail strategies. However, these gender-based marketing strategies may become less effective as consumer awareness increases. The younger Gen Z demographic, known for their progressive views on gender, strongly prefers gender-neutral products. This shift in consumer behaviour could challenge traditional marketing practices and push companies towards more equitable pricing strategies.

Several strategies can help circumvent the Pink Tax and promote women's economic empowerment. One approach is to opt for gender-neutral products. For instance, despite being functionally identical, items like razors, shaving cream, and soap are often marketed differently to men and women. Choosing generic or gender-neutral versions of these products can help avoid the inflated prices usually associated with products marketed specifically to women. For example, many consumers have found that the Gillette Mach3 men's razor, frequently sold at a lower price, performs just as well as its more expensive female-targeted counterpart, the Venus razor [27].

Another essential strategy is to study the fine print on product labels carefully. Women's products sometimes contain less than their male equivalents but are priced the same or higher. Consumers can make more informed decisions by checking the price per ounce or unit. For instance, a New York City Department of Consumer Affairs study revealed that women's shampoo often comes in smaller bottles than men's yet costs more. Purchasing larger, unscented, or gender-neutral quantities can help avoid these hidden costs [1].

Comparison shopping in advance is also a powerful tool against discriminatory pricing. Consumers can find the best deals by researching and comparing prices across different retailers [28]. This is particularly effective for high-cost items such as cars. For example, women who have taken the time to compare prices and negotiate have reported saving hundreds of dollars on vehicles by avoiding gender-based assumptions during sales.

Finally, consumers can ask for equal pricing in services where men's prices are typically lower, such as dry cleaning or haircuts. Requesting the men's rate for a service, mainly when the work involved is identical, can help combat gender-based price discrimination. An example is the movement led by female customers in New York City who successfully petitioned their dry cleaners to adopt gender-neutral pricing for cleaning standard dress shirts, which were previously more expensive for women [7].

4. Conclusions

The Pink Tax is a pervasive issue within the personal care industry, contributing to economic disparities and reinforcing gender stereotypes. This research highlights the substantial impact of gender-based pricing on women's buying power and underscores the need for equitable pricing mechanisms. Corporations like Unilever play a significant role in perpetuating the Pink Tax through targeted marketing and product differentiation. However, the Pink Tax may also be driven by consumer demand, particularly female

customers' preferences and purchasing behaviours. Therefore, further investigation is needed to understand how demand influences pricing strategies.

Addressing this issue requires transparency in pricing practices and responsible marketing strategies that avoid exploiting gender stereotypes. Collaboration among policymakers, businesses, and consumers is essential to rectify the economic disparities caused by the Pink Tax. Promoting fair pricing practices through informed consumer advocacy and effective policymaking can help ensure that women are not economically disadvantaged by gender-based pricing strategies. As consumer awareness increases, particularly among younger generations like Gen Z, there is hope for a shift towards more equitable market practices. Gen Z's rejection of gender stereotypes suggests a potential move towards gender-neutral products and fairer pricing strategies, which could ultimately dismantle the Pink Tax and promote economic equality. This research aims to contribute to ongoing efforts to achieve gender equality in the marketplace by fostering a deeper understanding of the Pink Tax and advocating for necessary change.

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