

A Study on the Pink Tax: Gender-Based Pricing Disparities

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Abstract:

This paper puts light on the topic of pink tax. Pink tax, although termed as tax does not come under the ambit of taxation but rather is a marketing tactic used by the global marketing firms in order to segregate and create a separate shelf for products mostly targeted towards women. Pink tax is an invisible stratification resulting in differential pricing and the basis of this pricing structure is Gender. This paper discusses the origin of Pink tax and its current status worldwide.

Keywords: *Gender, Consumer, Marketing*

INTRODUCTION

The concept of the pink tax refers to the higher prices charged for products and services marketed toward women compared to similar or identical items for men. This phenomenon is a form of gender-based price discrimination that affects a wide range of goods, including personal care products, clothing, and even services such as haircuts and dry cleaning. Despite increased awareness, the pink tax remains a prevalent issue worldwide, contributing to economic disparities between men and women.

The pink tax is not an actual government-imposed tax but rather a pricing strategy influenced by market dynamics, branding, and societal norms. Research indicates that women often pay more for everyday necessities, leading to a financial burden over time. This pricing disparity exacerbates existing wage gaps, as women, on average, earn less than men while simultaneously facing higher costs for essential products.

This study aims to explore the causes and implications of the pink tax, analyzing how gendered pricing impacts consumers, businesses, and economic equality. By examining case studies, consumer spending data, and regulatory responses, this paper seeks to highlight the need for policy interventions and greater consumer awareness to promote fair pricing practices. This phenomenon is a form of gender discrimination that affects women's purchasing power and contributes to broader gender inequality issues. The history of the pink tax traces back several years, but the term itself was coined in 1994 in California. It emerged following the realisation that brands in various cities consistently charged women higher prices for goods and services than men.

OBJECTIVES OF THE STUDY

- To understand the concept of pink tax
- To know about the prevalence of pink tax in the world.
- To understand the impact of the pink tax on gender discrimination.

REVIEW OF LITERATURE

- Pink Tax in India: Meaning, Examples & Impact on Women, the article explains the burden of pink tax being implemented on the females, the gender already facing discrimination in terms of pay parity. The article clearly mentions the prevalence of pink tax all around the world making the gap in purchasing power between two genders wider. Although the concept of pink tax is not something officially implemented by the government in any country and merely a marketing tactic, in response to the demand from women for specific products, the price of such products with pink packaging tend to be on a higher side. The companies offering goods and services for both the genders tend to charge on the higher side for products targeted towards women.
- Pink Tax: The Quantum Leap for Gender Equality, the paper explains in detail the discrimination created by the companies in the name of marketing technique by selling almost the same product or service by just adding "for women" on its pink packaging. The gap in the prices charged is approximately 7%. A simple example of razors explains quite the existence of pink tax wherein a razor targeted to men is priced at Rs.180/- and the same for women is charged around Rs.250/-, more or less the difference is in the colour of packaging. According to a report by the New York City Department of Consumer Affairs, women pay nearly \$2135 per year as Pink tax.
- Attitude towards Pink Tax in the Indian Population: A Gender-Based Analysis, the paper clarifies that the concept of pink tax is not a formal form of tax but rather a differential pricing technique implemented by the marketers in order to target the consumer preferences and create a separate line of goods for women. The study rejects the notion that consumers, both men and women do not have a negative mindset towards pink tax, conforming to the reluctance towards pink tax by both the genders.

ANALYSIS

Pink tax, although termed as Tax does not come under the ambit of taxation system in India. The term 'Pink Tax' coined in the year 1994 is a marketing hack to position the products based on the gender of a person. Apart from positioning the marketer also aims to collect some extra funds in the name of altogether a different product or service line. The concept of pink tax simply implies charging comparatively a higher amount for products targeted to women. This concept is involved not only in the line of goods but also services. Products in the section of personal care, beauty and even some segments of edibles like energy drinks are priced differently for women. The discrimination is not limited to goods but also focused on services. A basic salon service of hair cutting is charged exorbitantly to women in comparison with men, the other higher service can be understood on this one analogy. A difference of approximately 7% is noted by multiple research reports. Adding to the surprise, the discrimination is not only limited to smaller or home grown brands but is applicable to large multinational brands, including the celebrity brands. Marketing industry has seen multiple changes and is an ever evolving field. Pink tax has been a part of this journey for almost three decades where the items in the list have seen an increasing trend. The rise in the units collecting "pay like a woman money" has resulted in draining money from womens pockets and leading to a decrease in the purchasing power of women, a section which is already dealing with pay parity, globally. Women get paid around 20% less than their male colleagues for the same work.

A clear difference can be clearly seen in the statistics, A 2015 study by the New York City Department of Consumer Affairs analyzed 800 gender-specific products across nearly 100

brands. The findings revealed that, on average, products for women were priced 7% higher than comparable products for men. Specifically, personal care products were 13% more expensive, adult clothing 8% more, and toys and accessories for girls 7% higher than those for boys. Investigations have shown that women and girls often pay approximately 37% more for toys, cosmetics, and clothing than their male counterparts. Additionally, girls' school uniforms are about 12% more expensive than boys' uniforms. In a time where feminism is critically analysed from all its parameters, this is one such point that can add a notable point in the discussion. Women are playing substantial roles in all the fields, attempting to become independent financially & socially, having such a burden to their pocket makes the whole idea of empowerment very regressive and discouraging.

The other side of this adds a little humor when such products and such brands announce discount and sales promotions offers especially to commemorate special occasions like Women's Day. This technically implies the contrary behaviour towards women by the companies & marketers. The interesting part in a Country like India is that on one hand where the pricing of products is on a higher end resulting in decrease in the purchasing power in the hands of women, on the other hand state schemes propose providing women with a meagre sum of Rs.2500 every month as a support to women, indirectly increasing the financial burden on the economy and eventually the citizens.

Pink tax results in Social, Economic, and Psychological impact, following are some key effects:

1. Economic Impact on Women

Financial Burden: Women end up paying more for everyday necessities like personal care products, clothing, and services. This leads to higher living costs.

Wage Gap Worsening: Since women already earn less than men on average due to the gender wage gap, the Pink Tax exacerbates financial inequality.

2. Gender Inequality Reinforcement

Unequal Market Treatment: The Pink Tax reinforces gender-based economic discrimination by making women pay more for similar or identical products.

Unfair Pricing Norms: It normalizes the idea that women's goods should be priced higher, making gender-based financial disparity a societal norm.

3. Consumer Awareness & Buying Behavior

Informed Purchasing Decisions: Awareness of the Pink Tax encourages consumers to be more conscious about their spending and seek gender-neutral or alternative products.

Shift in Market Demand: As more consumers demand fair pricing, companies may be pressured to reconsider their pricing strategies.

4. Policy & Legal Implications

Calls for Regulation: The Pink Tax has led to legal discussions in many countries, with some governments introducing laws against gender-based pricing discrimination.

Need for Stronger Consumer Protection: Advocacy groups push for policies that prevent unfair pricing and promote gender equality in the market.

5. Psychological & Social Effects

Frustration & Resentment: Women may feel unfairly treated and discriminated against, leading to distrust in businesses and brands.

Gender Stereotyping Reinforcement: The pricing disparity often stems from societal stereotypes that women's products should be "premium" or "luxury," reinforcing outdated gender norms.

The Pink Tax not only affects individuals but also shapes broader societal attitudes towards gender and economic fairness.

CONCLUSION

The pink tax remains a significant issue that exacerbates gender-based economic inequality by imposing higher costs on products and services marketed to women. While it is not a literal tax, this pricing disparity has long-term financial consequences, particularly when combined with the gender wage gap. Across the world, studies have consistently shown that women pay more for personal care items, clothing, and everyday essentials compared to men, despite these products often being nearly identical.

In India, awareness of the pink tax is relatively low, though efforts such as the removal of the GST on sanitary products in 2018 demonstrate progress toward gender-equitable pricing. However, informal pricing disparities in personal care products, clothing, and services continue to exist. Compared to global trends, India still lacks comprehensive data and regulatory measures to address this issue effectively.

To combat the pink tax, consumers, businesses, and policymakers must take proactive steps. Increasing awareness, promoting gender-neutral pricing, and implementing regulations against unjustified price differences are crucial. Encouraging businesses to adopt transparent pricing strategies and educating consumers about gender-based pricing disparities can lead to more equitable economic practices. By addressing these issues, societies can move toward greater financial fairness, ensuring that individuals are not unfairly burdened simply because of their gender.

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