

UNDERSTANDING THE PINK TAX

Vinnitsia National Technical University

Анотація

У цій статті розглядається концепція «рожевого податку», яка вказує на вищу вартість аналогічних товарів та послуг для жінок порівняно з чоловіками. У статті обговорюється вплив гендерної сегментації на різні категорії товарів, виокремлюючи економічні та психологічні чинники, що сприяють існуванню рожевого податку.

Ключові слова: рожевий податок, гендерні відмінності в цінах, дискримінація, споживчі товари, гендерна сегментація, динаміка ринку, споживча поведінка, економічний вплив, гендерна нерівність.

Abstract

This article explores the concept of the «pink tax», which refers to the higher cost of similar goods and services for women compared to men. The article discusses the impact of gender segmentation on various product categories, highlighting the economic and psychological factors contributing to the existence of the pink tax.

Keywords: pink tax, gender-based price differences, discrimination, consumer goods, gender segmentation, market dynamics, consumer behavior, economic impact, gender inequality.

Introduction

The pink tax is the difference in the cost of similar goods for men and women. Women's items are usually more expensive, so it's not a tax at all.

Emily Crockett says that «one study by the New York Department of Consumer Affairs found that personal care products marketed to women cost an average of 13 percent more than equivalent men's products. It found similar «gender pricing» markups of 8 percent on adult clothing, 4 percent on children's clothing, 7 percent on toys and accessories, and 8 percent on home health care products and products for seniors» [1].

Research results

For the first time, the «pink tax» was seriously discussed in the USA. In California and Florida in the 1990s, studies were conducted that demonstrated gender-based price differences. Subsequently, politician Jackie Speier introduced changes to prohibit gender discrimination in the cost of services and goods in California. Two decades later, the woman proposed to introduce a ban on the pink tax at the state level. The issue of the «pink tax» reached a new level of discussion in 2015, when experts from the New York State Department of Consumer Policy found that women on average pay 7% more for similar goods and services than men [2].

Only a small «for men» / «for women» sticker, segmenting the product of the same brand by gender, creates a margin that generally differs only in design, and often women's products turn out to be even worse than men's products. The situation is aggravated by the fact that women generally earn 22% less than men, as evidenced by the Gender Gap Report 2018 [3].

The starting point for gender segmentation begins with children's products. This is when departments for girls and boys are formed according to their gender and products with the appropriate design are sold. The Consumer Affairs research covered 35 product categories, and 30 of them included «women's» products at a premium, including clothing for children and adults, nutritional supplements and vitamins, personal care products, toys, accessories and vehicles such as bicycles and mopeds.

The reason for the existence of the «pink tax» is explained by marketing specialist Alina Nesterenko: «The market dictates its rules of the game: it chooses the segment that will attract the consumer and force them to spend more money» [3]. Products aimed at a female audience are considered the most profitable because, according to stereotypes, women want and are willing to overpay for the aesthetic characteristics of things in order to be «always beautiful and neat», and this is exactly what the market takes advantage of.

Conclusions

As psychologists note, shopping for women acts as a so-called «recreation», and they do not always notice the price difference between goods, because they react more emotionally to the purchase of certain things than men, the same works with advertising. However, we should not forget about the objective reasons when the «pink tax» is justified by the time and materials spent on the creation of women's products.

REFERENCES

1. Emily Crockett. Women's products cost more. Here's how to avoid the «pink tax». URL: <https://www.vox.com/2016/3/1/11139280/avoid-pink-tax-women>
2. NYC Study: Women Pay 7 Percent More Than Men for Consumer Products. URL: <https://www.cbsnews.com/amp/new-york/news/nyc-gender-pricing-study/>
3. World Economic Forum. The Global Gender Gap Report 2018. URL: https://www3.weforum.org/docs/WEF_GGGR_2018.pdf

Гумінська Руслана Ігорівна – студентка групи МФКД-22б, факультет менеджменту та інформаційної безпеки, Вінницький національний технічний університет, Вінниця, e-mail: s1748618@gmail.com

Науковий керівник: **Андрощук Катерина Миколаївна** — викладач кафедри іноземних мов, Вінницький національний технічний університет, м. Вінниця

Huminska Ruslana I. — Department of Management and Information Security, Vinnytsia National Technical University, Vinnytsia, email: s1748618@gmail.com

Supervisor: **Androshchuk Kateryna M.** – Lecture, Chair of Foreign Languages, Vinnytsia National Technical University, Vinnytsia.