

Pink Tax and Gender-Based Pricing Strategy: Psychological Drive and Strategies on Female Consumption Behavior

Yuming Yang

Academy of Music, Hunan University of Technology, 412000 Hunan, China

Keywords: Pink Tax, Female Consumption, Consuming Behaviour, Price Discrimination, Pricing Strategy.

Abstract: Now, the female consumer groups are facing a consumption state that many product brands are priced according to male and female market differentiation, which belongs to the price discrimination for female consumers and is also called the “Pink Tax”. This phenomenon has gradually attracted the attention of consumers. Therefore, this paper adopts the case study method and selects L’Oreal marketing cases to deeply analyze the brand strategy and social influence behind gender-based pricing, explore the psychological drive and perception of female consumers, and discuss the response of brands to this phenomenon. The study found that emotional marketing can synergistically influence gender-based pricing. The psychological cognition and decision-making mechanism of female consumers can be affected in many ways, the gender-based pricing is not optimistic about the brand trust and loyalty from the long-term influence, so the phenomenon of “Pink Tax” can not only increase the female’s economic burden but also affect the public order in the market consumption, so the brand pricing shall be reasonably optimized to make the market consumption form into a good circulation, also benefit for maintaining the gender equality in society.

1 INTRODUCTION

With the continuous development of social economic level in China, education popularization of the female is increased, and the sense of self-independence is awakening, the female consumption level has improved and become the main consumer in the market consumption, so the word “Sheconomy” came into being (Ma, 2021). Many brands begin to pay attention to the female’s consumption behavior and psychology characteristics, they obtain the data of the female’s consumption behavior through some technical means and make a deep analysis, to draw up effective marketing strategies (Cai, 2024). Based on such a large consumer group, the consumption trap for females appears in the market. The premium problem in the gender-based pricing will make the female pay more money than the male. The phenomenon of “Pink Tax” is becoming common, which will affect the normal rights and interests of female consumers, so it is required to pay attention. In the existing literature, many of them analyze the female’s consumption behavior and psychological characteristics and also focus on price discrimination. Still, there exists a blank in the study of brand pricing strategy analysis and its social influence.

This study is very meaningful to maintaining the public order of the consumption market and promoting the concept of equality between males and females. The word “Pink Tax” is the overall summary of the relevant embodiment of gender-based inequality, which will make the differentiated pricing according to gender, its essence is that consumerism extracts the consumption power of a huge group of female consumers and promotes the female to pay for the product premium through various of factors for self-identity and group belonging (Lei, 2024). Although this phenomenon is increasingly common, the consumers shall not accept it as normal, the value of a product or service shall not be produced the premium because of gender difference and shall not be imposed on the female consumer groups.

This study aims to discuss the consumption pattern of brands for females and focuses on the following topics: How do the brands adopt gender-based pricing to shape female consumption behavior; How the female consumer groups look at and respond to this phenomenon, and how the consumption trap for the female is changed in the society equality of the male and female. In the study, the existing relevant data and literature are made the reading and analysis by adopting the literature analysis method, the advantages of this method can symmetrically

summarize and analyze the theoretical and empirical studies in the related fields, as, the problems and objects to be studied can be deeply understood, the blanks and opportunities for research can be identified, which benefit for providing the direction and suggestion for subsequent studies. In addition, this paper also uses the case study method to make the case restoration analysis for the L’Oreal—well-known beauty and skincare brand, from which obtains the theory on the “Psychologic Price Premium” and “Market Risk and Trust Balance” in the gender-based pricing, which makes this study more convincing and ensure the readers can understand better, also, benefit for the conduction of this study. The final objective of this study is to deeply dig into the brand marketing and pricing strategy in the market, make the consumer intuitively understand the trap and effectively avoid it. Here, we also call on the market to make changes to protect the female’s basic rights and interests, make the female consumer be treated fairly, and not make the consumer lose their basic trust in the brands.

2 LITERATURE REVIEW

In the times of the increasing of people educated and the rapid development of the economy, the concept of gender equality is deeply rooted in the people, and the female power is rising rapidly. In modern society, female have won their due status, but gender discrimination still exists, there is still discrimination in some ways for males and females, thereinto, the price discrimination is one of the common phenomena in life (Fang, 2019). The female consumer groups are facing a consumption status that many brands are made the differentiated pricing according to the male and female market. The existing literature mostly analyses the characteristics of female consumer groups from three aspects consumption level, consumption behavior, and pricing strategy.

In terms of the female consumption level, the continuous development of the economy and education level made the self-awareness of females gradually awake, and the lifestyle and fashion sense of female consumers are becoming diversified (Chiang and Yu, 2010). The requirements for their life quality are stronger and stronger, so many products and services aimed at the female in the market make the female purchasing power grow continuously and the consumption level is also increased.

In terms of female consumption behavior, Guan Wenwen mentioned when females consume, they not only “need” the product, but even “want” the product in the Paper *Study on Female Consumption Trend and Behavior in Xiaohongshu Platform under the Perspective of “Sheconomy”*, they begin to focus on themselves and take the consumption as a kind of embodiment of enhancing self-value and satisfaction of psychological demands (Guan, 2024). Therefore, the market begins to fully consider the needs of the audience, and analyse their consumption psychology, directly to the pain point of the consumer, to make the female consumer groups willing to consume, and the female’s consumption behavior is increased.

In terms of the brand pricing strategy, in the Lei Xiaoxue’s paper for *Analysis on Causes of “Pink Tax” in Semiotics Perspective*, this phenomenon was studied that the Merchant is pricing according to different groups to maximize their profit. In this highly competitive market, gender also becomes one of the rules to divide the market, many products can meet the needs of consumers without gender distinction originally, but to focus on the consumption groups better, they transfer the key to products into the package and appearance of products according to the gender distinction (Lei, 2024). Due to the existence of huge female consumer groups, many product brands take advantage of the consumption psychology and consumption habits of female consumers to generate a price premium, which results in the special products of the female have an inflated price, even compared with the same products of the male, there also exists the unacceptable price difference.

The existing studies, have focused on female consumption psychology and consumption behavior trends, but the deep discussion of the brand strategy and social influence behind gender-based pricing (i.e. Pink Tax) is not enough, so this study starts with gender-based pricing differentiation of L’Oreal product, the marketing and pricing strategies of L’Oreal are studied to supplement the blanks in the existing studies, explore how the female consumers look on the gender-based pricing and discuss the treatment of brands in this phenomenon.

3 CASE INTRODUCTION

L’Oreal is a well-known beauty brand, it has a wide range of product series, thereinto, the face cleanser and face cream are the hot-selling products, which are divided into the female and male series, but the price of the female series is more expensive than the male

series, for example, the price difference of face cleanser is dozens of yuan, the price difference of face cream is even hundreds of yuan. For the face cleanser and face cream, the female has more choice than the male about the function, which is also one of the reasons for the price difference.

From the above examples, when the Marketers of L'Oreal sell its products, there exists a differentiated marketing strategy, for example, when selling female products, there are many functional descriptions for 'tightening', 'rejuvenation', 'gentle, moisturizing', and 'anti-wrinkle' in the product introduction, while for the same product of the male, the product introduction is more concise and clearer. These products utilize the characteristics that the female consumers have the "self-pleasing" consumption concept and paying more attention to their skincare, plus with L'Oreal brand image and influence, all of which make the female willing to receive more expensive prices and pay for it.

Now, the gender-based pricing is gradually being focused on in society and there are also many reports about this phenomenon to make many consumers aware of the gender-based pricing. There are many kinds of skincare and beauty makeup product brands, and their functional effect is also similar, which gives the consumers a wide choice and is no longer committed to one brand. More female consumers will choose more cost-effective and inexpensive brands, to avoid falling into the "Pink Tax" consumption trap. However, there are still some female consumers, who believe in the principle that "you get what you pay for" and persist in some expensive brands, they think this is the manifestation of self-worth and status (Li, 2010). Furthermore, they have a strong loyalty to the brands, based on the long-term use habits or recognition of the brand concept and resonance of the brand stories, all of which will make the female consumers support the high price brands.

4 CASE ANALYSIS

4.1 Coordination Effect of Gender-Based Pricing and Emotion Marketing

L'Oreal organizes a global public welfare activity of "She Protects", which aims to empower females to truly make them realize the freedom of beauty by passing on "how to identify and deal with street harassment", this topic arises a wide resonance from females. The decision of female consumers to

purchase the product is largely influenced by perceptual factors, so when making the brand publicity marketing, firstly impress the female consumer groups and focus on the perceptual characteristics, to have a direct influence on them (Tang, 2022).

Therefore, L'Oreal's advertising language just uses this to affect female psychology, make the female receive this brand and products, improve their recognition and support for the brand, and shape the brand image. Also, this product is made the emotional marketing by clearly seeing into the female's psychology and focusing on the social phenomenon that the female faces.

In the moment when the Users pay attention to their self-feelings, the emotional value is particularly important. Especially for the female groups, the products with the temperature and human touch will impress them even more (He and Li, 2023). The L'Oreal brand occupies the consumer's mind and attracts many female consumers by expressing their opinions and establishing emotional links.

4.2 Psychological Cognition and Decision-Making Mechanism of Female Consumers

A survey from New York, Washington found that female consumers will always pay more money than males for goods without essential differences. This study investigates nearly 800 products from more than 90 online and offline brands in New York, which found the prices of products for girls and females are higher average of 7% than the products for boys and males with the same quality, the phenomenon exists in five categories of goods, including toys, children's clothing, adult clothing, and personal care products, etc. (IDC, 2015).

In the era of internet popularization, some popular science videos on social media make the females know about the existence of "Pink Tax" and begin to pay attention and reflect on whether they encounter the same situation in shopping. When they face price discrimination, they will make some comparisons and call in question, to choose a more economical alternative. But if the brand has its uniqueness, such as irreplaceable services or products, or it can provide the high-quality service, product after-sale, and personalized experience for the consumers, it is also ensured that the consumers can't give up easily.

The L'Oreal is a well-known brand, its product marketing and publicity will be backed by large-scale company and its quality will be guaranteed. The

words “patent” and “Cinema-level Product” can make the product price increase reasonably, also make the consumers more reliable in the functional efficacy of the product and voluntarily pay a higher price.

4.3 Long-Term Influence of Gender-Based Pricing on Brand Trust and Loyalty

More and more consumers can make the decision to purchase the product according to the online reviews. The purchase willingness of female consumers to the beauty makeup products is significantly associated with brand loyalty (Machecka et al., 2024).

When the L’Oreal sales the same male and female products, the pricing is very far off, this phenomenon will not make the female consumers completely resist this brand within a short time, but from long-term time, in the era of high speed development of production power and increasingly abundant of material resources, the supplies are far more than the demands, the market can provide the consumers with numerous and inexpensive alternatives, and the choice of the female consumers is very widely, so they must make the comparison among these products (Cai, 2024). At this time, they will consider the reasonability of brand price, the improvement of awakening and consciousness from the female consumers will make them understand that L’Oreal is not the only choice, and the loyalty of female consumers to the brands will be reduced, then choose the other more cost-effective brands.

5 DISCUSSION

5.1 “Psychological Price Premium” in Gender-Based Pricing

The market sets the different prices according to the needs and preferences of different consumer groups, and according to the intensity of female consumers’ demands for the products or services. Due to the nature of female consumers, they are born with a strong pursuit of beauty (Fu, 2009). The products designed focusing on appearance and modelling are more attractive to the female, and the products with stronger demands will be increased the price, also, the cost of products focusing on the female groups will be higher in the brand publicity, but the actual cost difference is sometimes not transparent or reasonable.

The L’Oreal brand takes the real and exquisite insight as the entry point, returns to the focus on the female’s inner health, actively speaks for the female, and strikes a chord with the female for emotional marketing. Also, this product utilizes the emotional psychological characteristics of the female to make them trust and accept this brand and be willing to pay for the extra fees. This theory points out, that this brand realizes the price premium through the functional premium of the product itself, consumers’ psychological expectations, and self-identity.

5.2 “Market Risk and Trust Balance” in Gender-Based Pricing

In the market competition, the brands need to find the balance point between profit and brand trust in the gender-based pricing, draw up the pricing strategies that will benefit the brands and customers, then conduct sufficient market research, deeply understand the consumers’ demands, expectation and their views on the gender-based pricing, continuously monitor the consumers’ feedback on the pricing strategies, finally flexibly adjust the pricing strategies according to the market change and consumers’ demands to ensure the fairness of pricing strategies. Or, the staging pricing strategies can be taken according to the different levels of products or services to set the different prices, the customers may choose the products according to their demands, the consumers can have a good consumption experience, and the enterprise can also increase the sale income, therefore, when the brands use the premium strategy, the long-term trust and loyalty of the consumers can be also considered to avoid the potential market risk.

6 CONCLUSION

The result of this study is that the “Pink Tax” does exist in all areas of products or services, but some consumers are unaware of it, the merchant will skillfully adjust their pricing strategy according to the consumers’ psychology, this is the differentiation pricing according to the gender, which makes the female consumer groups will pay for much more money than the male when they enjoy the same products or services as the male, the further conclusion is that the gender-based pricing will make the female consumers falling into the “Pink Tax” consumption trap, increase the consumption expenditure of the female groups and increase the economic burden. The brands also make emotional marketing by taking advantage of the psychological

characteristics of the female sensibility and easy impulse consumption, establishing links with female consumers. Or use discounts and other promotion methods to attract consumers and affect their consumption behavior.

The pricing strategies of brands shall be made the reasonable optimization and shall be based on the product cost, market demands, and other related factors, not only because of gender, which shall not cause price discrimination for any consumer group, to shape the brand image. Also, the pricing strategies shall be also borne certain social responsibilities to make the market consumption form into good circulation, which will benefit maintaining the social public order. Otherwise, it will make the female consumers the trust risk in this brand, and further choose other brands.

This study still provides many valuable references for future research in this direction, which mainly affects the psychological decision-making mechanism when female consumers choose the brands and products in the future, helping the female groups beware of some consumption traps, such as "Pink Tax". It also has a warning effect on the market, reminding the merchants to create a good market atmosphere and draw up reasonable pricing principles. At the same time, this study also benefits for pushing the society formation based on the equality of the male and female. Future studies may focus more on exploring the different responses to gender-based pricing among females of different ages, incomes, and education, then making a deep analysis to improve the comprehensiveness of the studies, it can also promote the formation of relevant laws and regulations.

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