



# **MASTER'S THESIS**

Růžová daň v souvislosti s produktovou a cenovou politikou

Pink Tax in the Context of the Product and Pricing Policy

## **STUDY PROGRAMME**

Management of Development Projects

## **FIELD OF STUDY**

Project management of Innovations on a Company

## **SUPERVISOR**

Ing. Petra Jílková, Ph.D.

ŠTROHMAJEROVÁ

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## I. OSOBNÍ A STUDIJNÍ ÚDAJE

Příjmení:	Štrohmajerová	Jméno:	Julie	Osobní číslo:	410487
Fakulta/ústav:	Masarykův ústav vyšších studií (MÚVS)				
Zadávací katedra/ústav:	Oddělení manažerských studií				
Studijní program:	Řízení rozvojových projektů				
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## II. ÚDAJE K DIPLOMOVÉ PRÁCI

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Jméno a pracoviště vedoucí(ho) diplomové práce:	Ing. Petra Jílková, Ph.D., Oddělení manažerských studií, Masarykův ústav vyšších studií, ČVUT		
Jméno a pracoviště konzultanta(ky) diplomové práce:			
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Podpis vedoucí(ho) práce	Podpis vedoucí(ho) ústavu/katedry	Podpis děkana(ky)	

## III. PŘEVZETÍ ZADÁNÍ

14. 12. 2017	<i>Štrohmajerová</i>
Datum převzetí zadání	Podpis studenta(ky)

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# **Abstract**

The aim of this thesis is to describe the issue of gender-based price discrimination, which is called "the pink tax" and describes a situation when women have to pay more for similar products or services than men. By using questionnaires and a field research in the Czech Republic and in the United States of America it should answer questions whether the pink tax occurs on the Czech market as well as on the US market and whether it has declined in the US since 2015 or not. Another goal is to find out and raise the awareness of the pink tax and to find out what are consumers attitudes towards this issue.

## **Key words**

Pink tax, gender discrimination, price discrimination, price, product

# **Abstrakt**

Cílem této práce je popsat otázku cenové diskriminace na základě pohlaví, která se někdy také nazývá "růžová daň" a popisuje situaci, kdy ženy musí za podobné výrobky nebo služby platit více než muži. S využitím dotazníků a terénního výzkumu v České republice a ve Spojených státech amerických by tato diplomová práce měla odpovědět na otázku, zda růžová daň existuje na českém trhu stejně jako na americkém trhu. Dále by měla odpovědět na otázku, zda se tato daň v USA od roku 2015 snížila - například díky studiím, které na tamním trhu již proběhly. Dalším cílem je zjistit a zvýšit povědomí o růžové dani a zjistit, jaké jsou postoje spotřebitelů k této problematice.

## **Klíčová slova**

Růžová daň, genderová diskriminace, cenová diskriminace, cena, produkt

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# INTRODUCTION

Nowadays women have control over most of financial decisions in many households. In the United States three out of four women are primary shopper in their household. According to C. Maloney, who processed a study for the United States Congress, women make about 85 % of all consumer purchases. But even with this strengthened financial power, women have to face obstacles as consumers.

Much has been already written about the "gender pay gap" - the fact that women are usually earning less than men in the same positions. In the United States woman with median earnings earns yearly about 20 % less than her male counterpart earns. (Proctor, 2016) In the Czech Republic, the average pay gap between women and men is about 22%. (Válková, 2017) It is less well known, but women are also disadvantaged as consumers. They often have to pay much more than men for similar goods and services. This markup has already become known as the „pink tax“.

There have been many studies on the US market on this topic. The most significant study was in 2015, a study called From Cradle to Cane: The Cost of Being a Female Consumer which raised the issue globally. But there are no studies on the Czech market that would address this issue. Thanks to the opportunity to study one semester in the United States, I have decided to find out the topicality of this issue on the US market and also to find out whether the pink tax exists on the Czech market as well.

The first part of the thesis will define the necessary concepts for a sufficient understanding. It will deal with marketing in general, terms like marketing mix, product or price. Subsequently, the broader concept of gender discrimination and price discrimination, which includes the pink tax, will be described. The most important studies that have already addressed this issue will be described and on their basis a new research will be created. The research will be done on the ground in the US and the Czech Republic, current prices of goods and services will be compared. And the research should answer questions whether the pink tax exists in Czech Republic as well as in the US and whether it has declined in the US since 2015. A questionnaire will also be submitted in both countries for further identification of consumer awareness of the issue. The thesis should contribute to updating the situation on both markets and to raise the awareness of the pink tax because if women are aware of this problem, it can help them with purchasing decisions and the pink tax can be gradually eliminated. The unfavorable position of a woman on the market can be improved.

# 1 MARKETING MIX

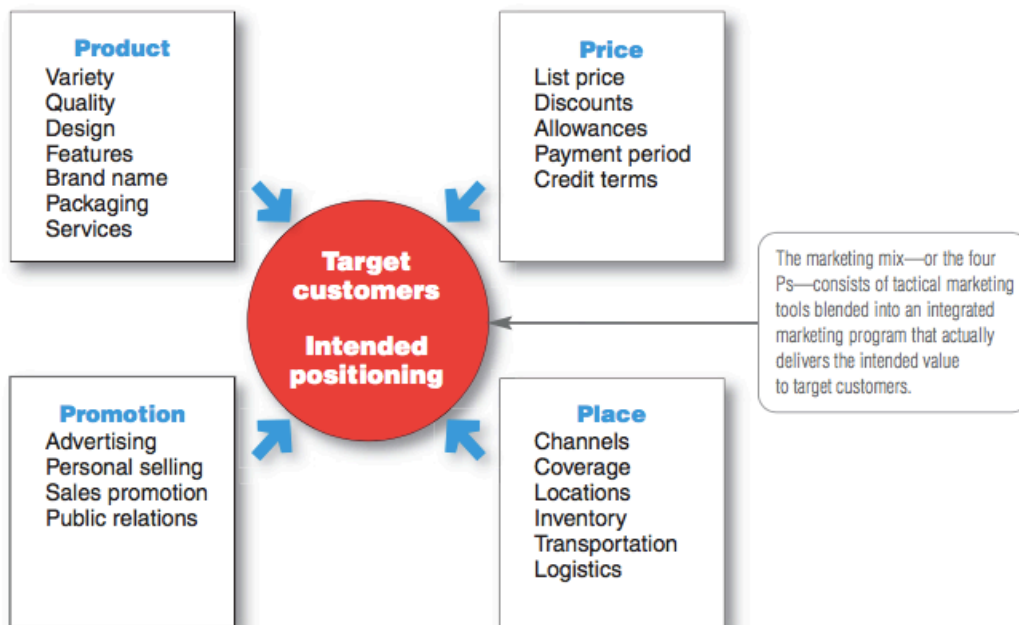
One of the key tools of marketing is certainly a marketing mix. It presents a summary of the basic marketing elements through which the company achieves its marketing goals. The marketing mix contains everything important to the company it turns to the market, the customer and basically everything what decides about its success in the market. (Foret et al., 2005)

According to Kotler and Armstrong, 2012 Marketing Mix is a combination of four controllable tactical marketing tools that a company uses to implement its marketing strategy and to achieve its goals. The marketing mix is consisted of everything what the company can do to influence the demand of its product. This possibilities can be classified into the four groups of variables, known as the four Ps of marketing: product, price, place and promotion. *„To deliver on its value proposition, the firm must first create a need-satisfying market offering (product). It must decide how much it will charge for the offering (price) and how it will make the offering available to target consumers (place). Finally, it must communicate with target customers about the offering and persuade them of its merits (promotion).“* (Kotler, Armstrong, 2012, pg. 12)

In the context of marketing theory, the term "mix of ingredients" is attributed to James Culliton, who used this phrase for the first time in 1948. Some Czech authors mistakenly refer to N.H. Borden, who continued his work and emphasized the need for interconnection of individual mix tools. According to Kotler, a mix can not be understood as a mere sum of individual measures, but as a complex skill, when the resulting whole, if it is to be successful, must be harmoniously interconnected. (Foret, 2003, pg. 127)

Culliton and Borden's work was later followed by Professor Jerry McCarthy, who adapted and introduced the concept of four tactical mix tools, now commonly referred to as 4P: Product, Price, Place and Promotion. (Smith, 2000, pg. 5)

Picture 1: The four Ps of the Marketing Mix



Source: Kotler, Armstrong, 2012, pg. 52

There are critics who say that the four Ps can omit or underemphasize certain important activities. For example services but services have products too. We just call them the service products. The picture 1 suggests that many marketing activities which may appear to be left out of the marketing mix are still subsumed under one of the four Ps. So there is not a question if there should be four, six, or more Ps, and what framework is most helpful in designing integrated marketing programs.

But there is a different concern which is more important. The concept of four Ps is the seller's view of the market, not the buyer's view. If we want to see the buyer's view of the market the four Ps would be better describer as the four Cs. (Kotler, Armstrong, 2012, pg. 52)

Picture 2: The four Cs

<b>4Ps</b>	<b>4Cs</b>
Product	Customer solution
Price	Customer cost
Place	Convenience
Promotion	Communication

Source: Kotler, Armstrong, 2012, pg. 53

*„Whereas marketers see themselves as selling products, customers see themselves as buying value or solutions to their problems. And customers are interested in more than just the price; they are interested in the total costs of obtaining, using, and disposing of a product. Customers want the product and service to be as conveniently available as possible. Finally, they want two-way communication. Marketers would do well to think through the four Cs first and then build the four Ps on that platform.“* (Kotler, Armstrong, 2012, pg. 53)

According to Zamazalová, 2009 4P are used for simplicity and brevity. In fact, marketing activities initiated to form an offer may be much more. Each of the 4P variables is itself a set of activities with which entrepreneurs work. To highlight the role of other selected tools for achieving business goals in specific business disciplines, the models extended by another P are mentioned. For example, 5P, where the other P are "people". For services, a typical 7P marketing mix is added, with P "personnel", "process" and "physical evidence" added. (Zamazalová, 2009, pg. 40)

Zamazalová adds that it is not important and it is far from being correct to apply the above-mentioned 4P / 5P / 7P definitions when applying marketing principles in business activity. Such a simplified understanding of the use of marketing tools leads to suppression of creativity and overlooking all sorts of other varied tools that the entrepreneur can actively shape his offer. Marketing is primarily about ideas and creativity, about finding new ways for customers. Simplified schematic designation should help you to better understand the possible ways of acting on the customer.

## 2 PRODUCT AND PRICING POLICY

Markets are not homogeneous. Any company can focus on all customers of the large and diverse markets. Consumers are different in many ways and can often be grouped according to one or more characteristics. The company must find out which market segments can operate efficiently. Such decisions require a clear understanding of consumer behavior and careful strategic thinking. Marketers sometimes mistakenly seek the same market segment as many other companies and overlook some potentially more profitable segments. (Kotler, Keller, 2007)

According to Zamazalová, 2010, it is the most important first to choose whether the company will focus on a certain range of customers or they will not differentiate their market offer. If there are not large differences between customers in the market, then it is appropriate to choose a market undifferentiated marketing approach. This approach can take the form of so-called mass marketing where one product is offered to the entire market by one marketing mix. Another variation is so-called product differentiated marketing, which offers several variants of the product in the same way, again in the whole market.

Another possibility market segmentation is a targeted marketing which is based on respecting the differences between customers in relation to their relevant buying behavior and their projection into a different marketing orientation. This approach is currently so widespread that its foundation - using the principles of market segmentation - is perceived as a distinctive feature of marketing at all.

Targeted marketing takes place in three main stages of analysis and decision-making.

1. Market Segmentation - It is the objective knowledge of a given segment of the market. Segment outlines are first revealed, then their profile is further developed into a marketing-oriented form.
2. Market Targeting - After revealing the market segments, we decide on which segments to orient our offer and then we have to choose between them. This means expressing the selective aspects, compiling the selection procedure, the algorithm on the basis of which we arrive at the market segment.
3. Market Positioning - Target market segments are chosen, now the most advantageous approach to the selected segments needs to be considered - or how the marketing outlines should be in the basic outlines of these segments. Which "position" the offer should take in customer perception. (Zamazalová, 2010)

This approach by Zamazalová is based on Kotler, who the effectively targeted marketing has divided into three simple steps that marketers have to do to have a chance to succeed at the consumer.

1. They have to identify and profiling different customer groups that differ in their needs and preferences (market segmentation)
2. They have to choose one or more market segments which they want to enter (market targeting)
3. For each target segment, they have to identify and communicate the different advantage (s) of the company's market offer (market positioning)

## **2.1 Product**

*„We define a product as anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want or need. Products include more than just tangible objects, such as cars, computers, or cell phones. Broadly defined, “products” also include services, events, persons, places, organizations, ideas, or a mixture of these. ... Services are a form of product that consists of activities, benefits, or satisfactions offered for sale that are essentially intangible and do not result in the ownership of anything. Examples include banking, hotel services, airline travel, retail, wireless communication, and home- repair services.” (Kotler, Armstrong, 2012, p. 224)*

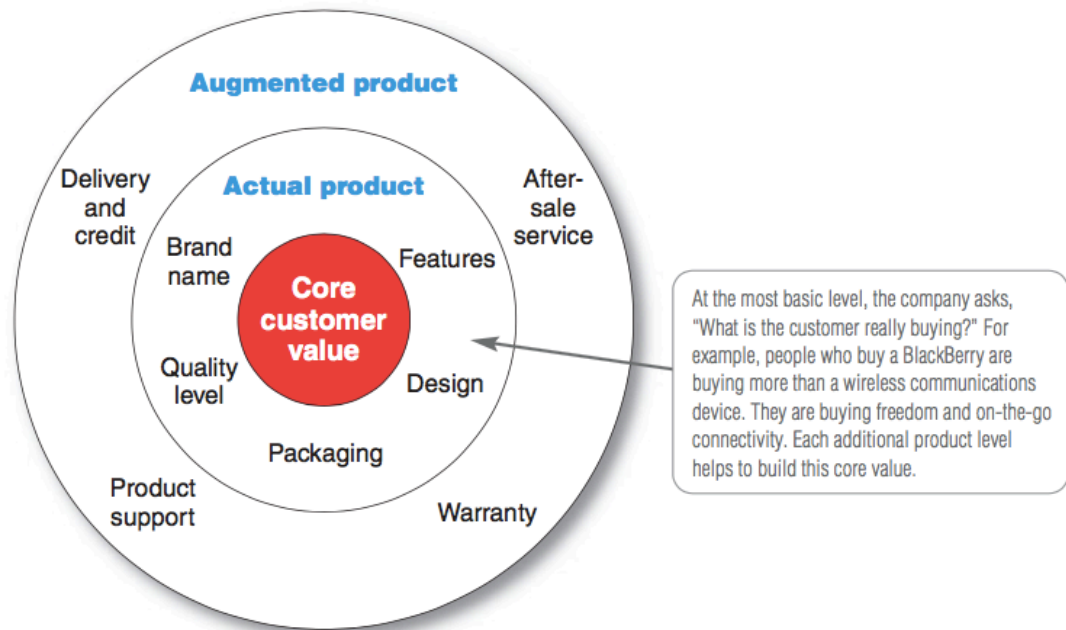
We can think about the product at levels that each add value to the customer. The lowest level is the core customer value, which answers the question: What does the buyer actually buy? As we can see in the picture, the core customer value is at the heart of the overall product. It is the basic benefits consumers are looking for and solving their problems. The core customer value are the basic benefits or services to solve the problem, they are the real purpose of buying the product.

On the second level, we need to create an actual product from the core customer value. It can have up to five characteristics: quality level, product or service function, design, brand name and packaging. All these attributes need to be combined to provide a basic benefit.

And finally, through an offer of additional services and benefits, an augmented product has to be built around the actual product and core customer value. For example, a warranty on parts or workmanship, instructions on how to use the device, quick repair

services when needed, website or a toll-free phone line. For consumers, these extensions are an important part of the overall product. (Kotler, 2007, p. 616)

Picture 3: Three Levels of Product



Source: Kotler, Armstrong, 2012, p. 226

"Consumers see products as complex bundles of benefits that satisfy their needs. When developing products, marketers first must identify the core customer value that consumers seek from the product. They must then design the actual product and find ways to augment it to create this customer value and the most satisfying customer experience." (Kotler, Armstrong, 2012, p. 226)

Zamazalová and Kotler have agreed on this three-level concept of the product, Zamazalová adds that this structure is not the only one possible. Other, more or less similar approaches that respond to the specifics of different product types are also used. With a little exaggeration, it can even be said that every businessman should try to construct a custom scheme for his product based on a thorough demand analysis. She states that on each of the simplest products we can identify roughly three groups of characteristics: technical, functional and communication.

- Technical characteristics (core of the product) are given by chemical composition, design, formula or technology used.
- Functional characteristics represent the transfer of the technical basis of the



product to a certain way of meeting the needs. They are therefore projected for performance, durability, taste and smell, appearance, maintenance, and so on.

- Communication characteristics are constituted by those components that enable the product to reach the consumer. Therefore, they are sometimes referred to as product media, including brand, design and packaging.

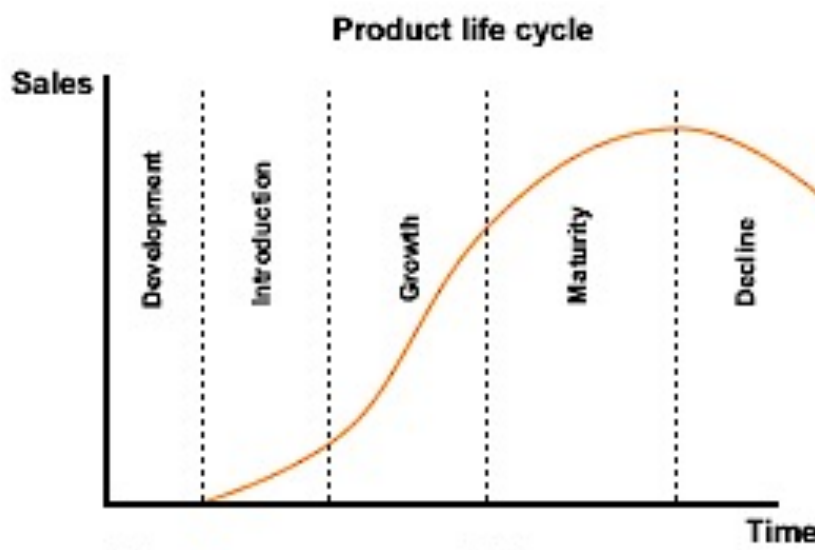
### 2.1.1 Product Life Cycle

To choose an optimal product policy, it is important to address the life cycle of the product. According to Vysekalová, Strnad and Vydrová in the current market environment, the product undergoes certain stages of market life - from the introduction of the product to the market until its withdrawal from the market. The entire life of the product is usually divided into four stages.

- Introduction
- Growth
- Maturity
- Decline

The different stages differ from each other mainly by the extent and pace of demand growth. This corresponds to the achieved turnover and profit and also the necessary marketing measures. The product life curve can be seen in the figure below.

Picture 4: The Product Life Cycle



Source: Triple A Learning, 2018, online

The length, time distribution, but also the life-cycle course vary from one industry to another. Some products stay on the market for a long while, on the other hand, very shortly (extravagant, fashionable products). The life cycle is influenced not only by the field, but also by the necessity. The market life curve - expressed in turn, shown in the graph, illustrates the situation where a brand new product is coming to market. The introduction and the growth phase would be shorter in case the product have been on the market already before. According to Vysekalová, Strnad and Vydrová we can describe the individual phases of the product as follows.

**Introduction stage** - When the product enters the market, the consumer becomes acquainted with the product, recognizes its properties and overcomes its distrust. A similar situation also arises for products that have already been introduced in the market, but the company is now entering a new market. At this stage, it is necessary to cover the high costs of research, development, production preparation, and promotional and sales promotion costs. Profit is low at this time, sometimes even a loss. If it is a brand new product that better meets some need, the company can put a high price on it and offset its costs. The speed and breadth of penetration of the new product depends on its marketing mix. First on the price, but also on the communication mix and distribution policy. In the case of slow market penetration, there is a higher risk that funds will not be recovered, but rapid penetration is more costly.

**Growth stage** - At this stage, demand is expanding to other customer groups, so sales and profits are rising. The success of this phase is based, among other things, on the satisfaction of the first customers, who then become the promoters of "oral submission". At this stage, it is usually possible to maintain the price level until the competition starts to appear. In order to maintain and support the growing demand and to be able to cope with potential competition, the manufacturer must intensify the promotion, improve the product, expand the range of its variants, offer accompanying services and so on. The gained position allows the company to penetrate other market segments and use other distribution channels. Developments in demand must be carefully monitored and pricing policy orientated as necessary.

**Maturity stage** - During this period, sales growth is slowing, but is the largest. Competitive struggle is on the market. The stage of maturity is often good to divide to the stage of maturity when sales are still rising, but profit margins are stagnating and the saturation stage, when the sales curve reaches its peak and profit starts to decline as a result of falling prices or rising rebates. In principle, it can be said that the share of

profit per unit of product is the highest in the growth stage, the profit mass in the maturity period. The length of the maturity stage and the economic use of the mature product is definitely the creativity and consistency of the marketing mix. The most frequent measures at this stage include the development of the market with other third segments, the expansion of consumption with existing customers, new product profiling, the substitution of other products, the acquisition of competing customers, higher satisfaction of the needs, more favorable conditions for distributors, lower prices or more intense sales promotion, personal sale and advertisement.

Decline stage - This stage is characterized by a significant and sustained decline in sales and achievable prices. The business faces the decision whether it pays to wait for the market to be eliminated by competitors and then harnessing the residual market potential or ending with the production of the product and to sell the product or rejuvenate the existing product to achieve a new revival of turnover. Leaving the production of an existing product is always a controversial issue but if the exit from the market is too slow it financially weakens the company. If the company does not take effective measures or if innovative products are not prepared it can lead to the company's disappearance. (Vysekalová, Strnad and Vydrová, 1999, pg. 79 - 82)

According to Karlíček, the life cycle of a product recalls the life of man. This model assumes that each product will pass through four distinct phases. Each of these phases is associated with other challenges and challenges and requires different marketing approaches. Karlíček describes the product life cycle phases similarly to Vysekalová, Strnad and Vydrová, and adds that the product life cycle model is, despite its theoretical nature, very significant for practice. Its main asset lies in the fact that he emphasizes the need for constant innovation. Marketers must expect that their product will sooner or later become obsolete and will be replaced by a new product. Innovative activity is thus a fundamental source of competitive advantage, because innovation provides life energy to the organization. Consciousness of the need for constant innovation should be the basis of any business. (Karlíček, 2013, pg. 159)

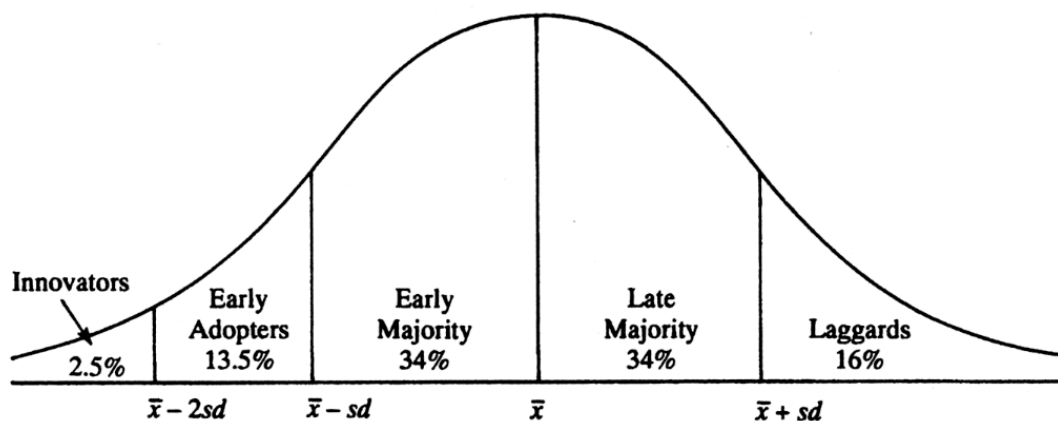
In spite of its theoretical nature, the product life cycle model is very significant for the practice. Its main benefit is that it emphasizes the need for continuous innovation. Every manager has to blame that his product will become obsolete in the future and will be replaced with a new product. Some innovative activity is a fundamental source of competitive advantage. However, the need for innovative activity is linked to two

serious problems. Innovative activity is very expensive - the development of a new product may require large investments and may take years to bring some profit. And the second problem is that a large proportion of innovated products will fail and must be withdrawn from the market. It is therefore necessary for marketers to anticipate customer demand. Otherwise, innovation activity is a source of great waste.

The innovation process itself starts with an idea that can arise from the organization or from an external environment. For example, customer complaints can be very useful. The next phase of the innovation process is an estimate of profitability and demand. It is followed by the development and testing of the product itself. At this stage, it is necessary to ensure that the product provides customers the value that the company has planned, and that the costs of its development and production are subsequently covered by the corresponding revenues, generating the planned profit. The company must always consider which product attributes to preserve and which can be eliminated and thus the company can save some money. Typically, multiple product variants are proposed and then a selected prototype is placed on the market. (Karlíček, 2013, pg. 160)

Innovations are not accepted by all customers at once. This is a gradual process as we can see in the picture below.

Picture 5: Adopter Categorization on the Basis of Innovativeness



Source: Everett, 2003, pg. 281

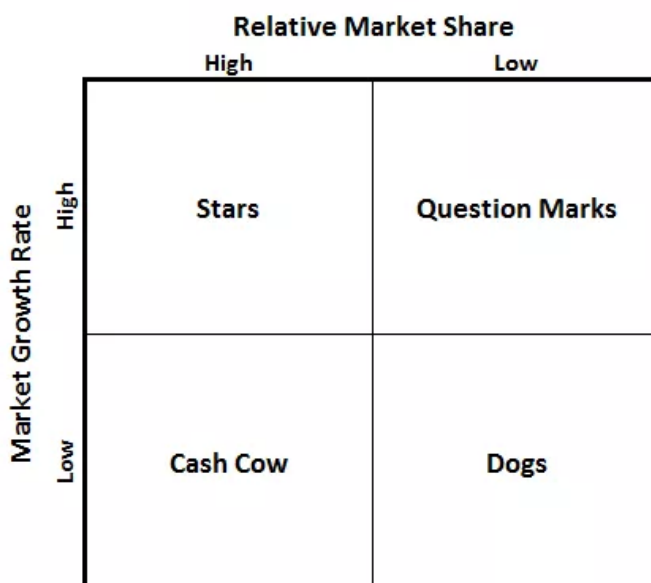
"The innovativeness dimension, as measured by the time at which an individual adopts an innovation on innovations, is continuous. The innovativeness variable is partitioned into five adopter categories by laying off standard deviations ( $sd$ ) from the average time of adoption ( $\bar{x}$ )." (Everett, 2003, pg. 28)

Innovators buy the product immediately after its launch. In the growth phase, the product addresses early adopters. Majority is buying a product that is already in the maturity stage and if the market remains only laggards then the product is entering the decline stage. Diffusion of innovation theory which we can see in this figure therefore corresponds to the product lifecycle theory. (Karlíček, 2013, pg. 161)

### 2.1.2 BCG Matrix

A frequently used tool for evaluating the product portfolio of companies is the BCG matrix. This tool is based on the finding that the size of the market share decreases the costs of the company and thus increases its competitiveness and thus profitability. The BCG matrix divides company products into four categories based on two variables. These are the relevant market share (market position in relation to competition) and the growth rate of the given market (in relation to the growth of the economy). The BCG matrix categories are shown in the figure below. (Karlíček, 2013, pg. 163)

Picture 6: Boston Consulting Group Matrix



Source: Mus, 2017, online

The horizontal axis in the figure represents the market share of a particular product compared to the product of the largest competitor. Products placed in quadrants of "Dogs" and "Question Marks" have a lower share and vice versa. Products located in quadrants of "Cash Cows" and "Stars" have a higher share. The position relative to the

vertical axis reflects the annual growth rate of the products in question. The portfolio was divided into four quadrants, for which certain names and characteristics were attributed for simplicity. (Vysekalová, Strnad, Vydrová, 1999, pg. 36)

The quadrant of question marks includes products or strategic business units whose positions in the competitive field are not favorable, but they are characterized by a sharp rate of turnover growth. In most cases, they are products in the phase of market introduction. Activities ranked among question marks require considerable financial input, but represent a chance for the future. A systematic market survey must help determine whether to continue investing in these activities or withdrawing them in time.

Stars are called market activities with the best business results (in terms of growth and market share). Achieving and maintaining these results is also costly, but at the same time brings high profits, which can be counted in the next quadrant of cash cows. According to Karlíček, 2013 the stars are the key products of the company. He also says that significant investments in the stars are needed because the growing market attracts competitors and the company must try to keep its position of the stars.

Cash cows is a quadrant of activities that are characterized by a high market share, even though the growth rate is beginning to decline are included in the cash cow's quadrant. They are the mainstay of the firm, because they bring high effects without requiring larger financial contributions. This allows the development of new activities and possibly cover up losses from nonprofit products. However, it is a danger for the company to look into these activities and to underpin the timely development of new activities.

And the last quadrant are dogs. In this quadrant, there are products that gradually end their commercial path. The growth rate of their turnover slows down and market share even dropped below the level of competitors. Depending on the results of the market surveys and the overall balance sheet, how long it is worthwhile to keep these activities on the market and promote their sales through a reinforced marketing policy. (Vysekalová, Vydrová, Strnad, 1999, pg. 36 - 37)

According to Karlíček, 2013 the BCG matrix points to the need for a certain balance of the product portfolio. For example, if a company had "question marks" and "stars" among its products, it could get into big cash flow problems. Ideally, the product portfolio should include enough products from the "star" and "cash cows". The first represents the future of the company, the second generates a profit that the company can

invest in strengthening the "stars" and into new products. Some products in the company portfolio may play a specific role. For example, the lipstick of eccentric color helps the overall profitability of the portfolio, despite the fact that almost no one purchases this one - because it is helping to increase the overall attractiveness of the portfolio. Or another example can be in retail - some products are used as an "attraction" here. They are the products that customers buy the most (bread, milk) and these products are offered at a bargain price - the customer can get the impression that other products in the retail are inexpensive even though they may not actually be. The retail is actually losing on "attractions" but the increase in the number of customers and their average spendings compensate for this. (Karlíček, 2013, pg. 164 - 165)

### **2.1.3 Product policy**

Based on analyzes of environmental development and recognition of its own capabilities, the company decides on its product policy. The vast majority of companies come to the market with more products.

A product family developed with similar characteristics, uses and intended for similar markets is called a product row or a product line. The company, following the product lifecycle, approaches four core product line decisions.

The four basic decisions about the product line are:

- Product line length - number of items in the product line
- Product line stretching - this can be done in the direction of:
  - Down = Downward stretching - products are added to the company to reach out and gain less profitable markets
  - Up = Upward stretching - products are added to appeal to the company and gain more profitable markets
  - In both directions = Two-way stretching - the products are added to give the company both profitable and less profitable markets
- Product line filling - filling in gaps in the series and thereby gaining additional markets and profits
- Product line featuring - certain products in the product line are enhanced through marketing communications to support the sale of other elements in the product line (Jakubíková, 2013, p. 176)

## 2.1.4 Product Mix

A company that has several product lines has a so-called product mix.

The product mix can also be called product portfolio. It consists of all the product lines and items that a particular seller offers for sale to its customers. (Kotler, Armstrong, 2012, p. 235)

According to Kotler and Keller, 2007 product mix or assortment is a set of all the products the company sells. The so-called range of assortment, assortment length, and assortment depth are distinguished.

The width of the assortment means the number of product lines offered by the company. For example, Nestlé produces cereals, ice cream, animal feed, baby food, candy and several other product lines. Each product line offered by the company includes more or fewer products. E.g. Procter & Gamble produces four products in the detergent category (Ariel, Tide, Bonux and Vizir). The range of assortment is usually understood as the average number of products in each product line offered by the company. If the company's target is high in all markets where the company operates, then its product range is likely to be longer (more products will allow the company to reach most customer segments). If the company's primary goal is profit, its rows will likely be shorter (the company will carefully select only the most profitable products). (Kotler, Keller, 2007, pg. 422) Assortment depth means the average number of variants (models, molds, scents, flavors) for each product the company offers to customers. For example, Jupi Juices are available in a PET bottle, glass or 3-liter canister. Each of these forms is additionally sold in several flavors. For example, a total of eight different flavors (orange, lemon, forest mix, strawberry, raspberry, blackcurrant, multivitamin and aloe vera) are offered in PET bottles. (Karlíček, 2013, pg. 163)

A similar division of the product mix, but with one extra point brings Jakubíková, 2013. She says that the product mix can vary in width, length, depth and consistency. The company can choose different combinations of these product properties. The properties are:

- The width of the product mix = the number of product lines
- Product mix length = total number of items in the product mix
- Product mix depth = number of product variants in each product line
- Product mix consistency = expresses tightness of linkages between product lines, their final use, production requirements, distribution paths, and other aspects. (Jakubíková, 2013, pg. 177)



## 2.2 Price and pricing policy

*„In the narrowest sense, price is the amount of money charged for a product or a service. More broadly, price is the sum of all the values that customers give up to gain the benefits of having or using a product or service. Historically, price has been the major factor affecting buyer choice. In recent decades, nonprice factors have gained increasing importance. However, price still remains one of the most important elements that determines a firm's market share and profitability.*

*Price is the only element in the marketing mix that produces revenue; all other elements represent costs. Price is also one of the most flexible marketing mix elements.”* (Kotler, Armstrong, 2012, pg. 290)

In other words, the price tells us how much money we need to spend on purchases of goods and services. From the company's point of view, how much money the company has to spend to buy production factors and how much it will spend on the sale of goods or services. Every market performer measures the benefit of the purchase of the goods or services he has to pay.

The pricing policy can be seen from two basic views, namely:

- Classical price theories
- Practical pricing policies (Wohe, Kislingerová, 2007, pg. 351)

### *Pricing process*

When creating a price, demand, competition, and costs are taken into account. Pricing is a complex and demanding process that can generally be expressed in five following steps.

1. Determination of total costs corresponding to different production volumes.
2. Determination of prices corresponding to these different production volumes.
3. Assessment of price flexibility of demand and estimation of the demanded quantity of products at different prices.
4. Analysis of competitors' prices.
5. Assessment of price propositions in terms of their position in different variants of the marketing mix. (Stehlík, 2003, pg. 130)

The pricing policy of a firm represents all the activities - considerations, approaches, decisions and practical steps - related to setting or changing sales prices or conditions which affect the price. (Kasan, 1994, pg. 7)

Pricing policy is one of the tools of sales policy. In the 1960s there were significant changes in the sales markets, which led to the loss of pricing policy as its most important selling instrument. Advertising and product policy have come to the forefront. However, pricing policy still occupies a wide margin in marketing literature. It is usually discussed in two subchapters, which are the classic price theory and the practical pricing policy. (Wohe, Kislingerová, 2007, pg. 421)

In order to efficiently implement a pricing policy, it has a number of tools available. But the main and most important tool is the price itself.

Pricing is generally oriented in three basic directions - cost, demand and competition. Sometimes also called "the magic triangle" of pricing policy. Final pricing is then an appropriate combination of these three extreme approaches. (Kasan, 1994, pg. 45)

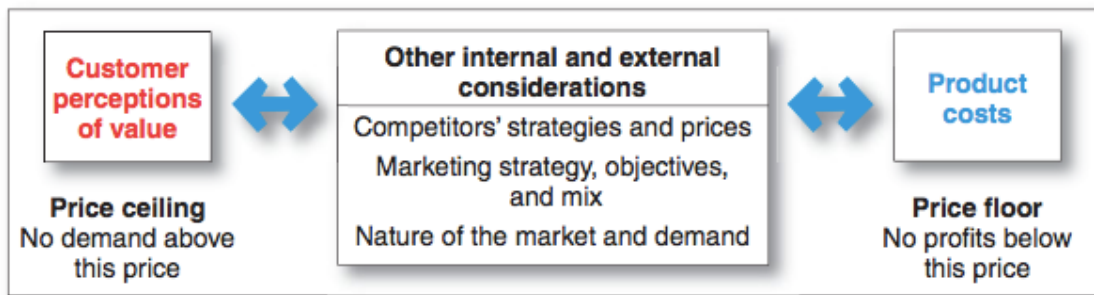
Price can be determined in many ways when the company is choosing the right price for a product. But generally it should follow a predetermined strategy.

There are three major methods which can be used while setting price:

- Customer value-based pricing
- Cost-based pricing
- Competition-based pricing

The price can be always set somewhere between two extremes. One is the ceiling where the price is too high to generate demand. The customers perceive that the product's price is higher than the value and they will not buy the product. And the other extreme is when the price is too low to cover the expenses. When the product price is lower than the cost and the company is losing. (Claessens, 2015)

Picture 7: Consideration in Setting Price



Source: Kotler, Armstrong, 2012, pg. 291

„Picture 4 summarizes the major considerations in setting price. Customer perceptions of the product's value set the ceiling for prices. If customers perceive that the product's price is greater than its value, they will not buy the product. Product costs set the floor for prices. If the company prices the product below its costs, the company's profits will suffer. In setting its price between these two extremes, the company must consider several internal and external factors, including competitors' strategies and prices, the overall marketing strategy and mix, and the nature of the market and demand.“ (Kotler, Armstrong, 2012, pg. 291)

Three basic pricing methods are suggested in this picture: customer value-based pricing, cost-based pricing, and competition-based pricing. (Kotler, Armstrong, 2012, pg. 291)

**Customer value-based pricing** uses as the key to pricing the buyer's perception of value, instead the company's cost. The price is considered along with all the marketing mix before the marketing program is set. (Claessens, 2015)

It means that the company can not design a product and it's marketing separately, and then set the price.

The pricing should start with the customer and his perceived value. The customer is the one who decides if the product is worth it or not. When the customer is buying a product, he is in real exchanging something of value – the money, to get some value – the benefits from the product. So it is important to understand how much value he places on the benefits received from the product and set the price that captures exactly this value. (Claessens, 2015)

**Cost-based pricing** is basically the opposite of the Customer value-based pricing. The primary consideration are the company costs. The costs are the key to set the floor for the price which the company can charge. The price is composed of all the costs for producing, distributing and selling the product. Different companies have different strategies within the cost-based pricing. There are companies who goes along with smaller margins but greater sales and other companies who do not compete based on low prices. They are offering superior customer value and they claim higher prices and margins. Choosing between the three pricing strategies is closely related to the overall strategy of marketing. In order to make a profit rate of return has to be added to account for efforts and risks. (Claessens, 2015)

**Competition-based pricing** is usually used in highly competitive markets where the consumers base their judgements of the product's value mainly on the prices of similar products of the competitors. This pricing includes prices based on competitor's strategies, prices, costs, and market offerings. But not just the price of the competitors is decisive. There are other factors like if there the product provides greater value, the company can charge more. And a strength and pricing strategies of the competitors have to be also taken into account. If the market is already dominated by big and low-cost competitors, for the company may be better to target unserved market niches or try to do some value-added product and prices. (Claessens, 2015)

The price is an integral part of the marketing mix, as well as the product, promotion or place. All of these components also directly affect the price. There is no precise instruction how to set the price, but one interesting way outlined in seven steps is explained by the Internet Center for Management and Business Administration, Inc., 2010:

1. Develop marketing strategy – create marketing strategy, segmentation, targeting, positioning
2. Make marketing mix decisions – define the product, promotion and distribution tactics
3. Calculate cost – fixed and variable cost associated with the product
4. Enviromental factors – evaluate likely competitor actions, understand legal constaints, etc.
5. Set pricing objectives – profit maximalization, revenue maximalization or for example price stabilization

6. Determine pricing – use information collected in the steps above, select appropriate pricing method, develop the pricing structure and define discount

Due to the difficulty of setting the price, so-called price strategies are sometimes used. Price strategies are, to a certain extent, pre-prepared packages of marketing mixes, which are then adjusted as necessary.

*„Pricing strategies usually change as the product passes through its life cycle. The introductory stage is especially challenging. Companies bringing out a new product face the challenge of setting prices for the first time. They can choose between two broad strategies: market-skimming pricing and market-penetration pricing.“* (Kotler, Armstrong, 2012, pg. 336)

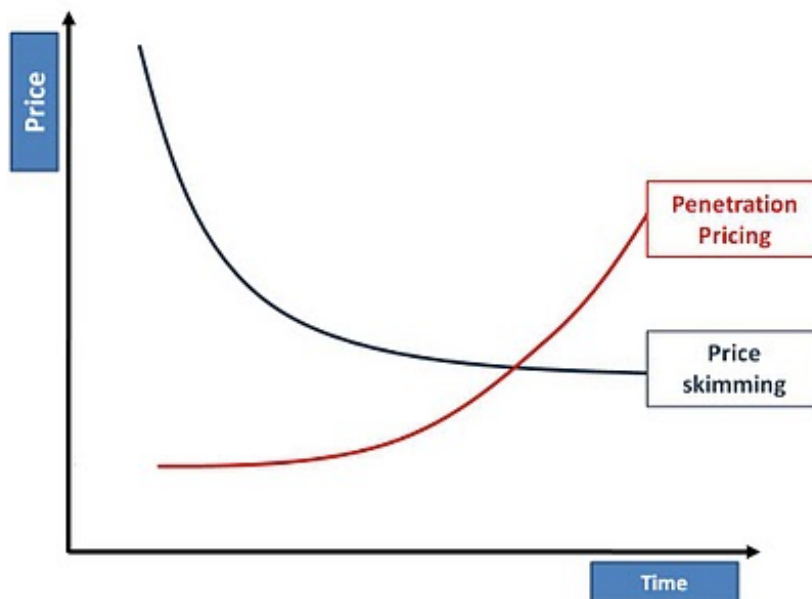
Pricing strategy decision making is a complex process in which a number of factors have to be taken into account (market character, demand, competition, cost, product life cycle). Businesses are deciding on the pricing strategy of newly introduced products on the market, the pricing strategy of the entire production assortment and the changes in established prices. (Stehlík, 2003, pg. 131)

For the purposes of this diploma thesis, it is important to mention the decision on price strategy of newly introduced products on the market.

The pricing structure changes over time as products or services go through their life cycle stages. The introduction stage is particularly important. A new product is introduced to the market and the company has to set the initial price. There are two basic strategies to choose from - Skimming price strategy and Penetration price strategy.

In the figure below, we can see a sketch of both of these strategies.

Picture 8: Penetration Pricing vs. Price Skimming



Source: Sellbrite, 2018, online

**The skimming price strategy** can be used especially if the company puts on the market an innovation that is protected for a certain time from competition or if the company has a strong brand. Demand for the product market should be high and price sensitivity relatively low. This strategy is based on a high starting price. When the product is purchased by all customers for whom a high price is acceptable, the company will reduce the price. This will appeal to another segment that is more price-sensitive. After his satisfaction, the company reduces the price again, moving further towards more sensitive customer segments, maximizing profits for each customer segment. The Skimming Price Strategy allows the company to tailor the prices to individual customer segments. Because different segment are prepared to pay for the product a different price. The company generates higher profits than it would generate through a penetration strategy. If they enter the market immediately with a low price, it would address all the target segments at the same time, but it would lose a considerable part of the profit it is willing to pay for the price less sensitive customer segments. At skimming price strategy, the company sells fewer products but achieves higher prices. This strategy applies especially in high-intensity research and development sectors. Companies such as Apple use it. In this case there are customers who are willing to pay more to have the product as one of the first. (Karlíček, 2018, pg. 184)

**The penetration price strategy** is particularly suited to cases where the market is price-sensitive and when the barriers to entry are limited. The purpose of this strategy is to penetrate the market as quickly as possible. The company launches low-priced products (even below costs) and with the support of a massive communication campaign. It strives for the best possible introduction to the market and gaining the most market share. If it succeeds, it realizes economies of scale and hence lower unit cost per unit. By doing so, the company tries to eliminate competition from the game and secure long-term profitability on the relevant market. Penetration Price strategy have tried to apply on the Czech market, for example, low-cost banks - mBank, Air Bank or FIO. Their strategy was based on zero fees and high interest rates on savings products. (Karlíček, 2018, pg. 183)

Entrepreneurs usually do not determine a single price for their products, they create a pricing structure to respect differences in demand and cost in different segments, at different times, and so on. For this price differentiation, the market must be:

- segmented
- characterized by varying demand elasticity
- imperfect

In each market segment, two ways of differentiation can be used to achieve optimal cost. The first one is discriminatory pricing and the second one is promotional pricing. Promotional price creation is a temporary reduction in price of products below the price level in the price list. Sellers, for example, reduce the price in case of a seasonal decline in sales, this differentiation includes lower wholesale prices, cash rebates, or a low interest credit sale that attracts other customers.

Discriminatory pricing can be done in a variety of forms. It may be a spatial price differentiation where, depending on the market situation, different prices are set for different territories. It can be a time differentiation of prices, which aims to reduce demand fluctuations over time. The differentiation can be according to the product modification, which is to enable the interest of customers from different income classes. According to distribution articles, when guards are provided as a reward for taking some marketing functions. Or it may be personal differentiation by age, occupation, or certain entitlements (university students). (Stehlík, 2003, pg. 132) This last differentiation is the most important to us because it can be related to gender pricing as well.

### 3 PRICE DISCRIMINATION

Price discrimination is based on the assumption that everyone has a different "willingness-to-pay" for a specific good or service. A lot of consumers are willing to buy a product or service for a higher price than the cost of the product or service is. If there is a market where a single price dominates, almost all the buyers would theoretically have been willing to pay a sum of money greater than they actually paid. We can call this sum of extra money the "consumer surplus" which means the area above the market price but under the demand curve. (Liston-Heyes and Neokleous, 2000, pg. 108) It means that most of the consumers are willing to pay more for a product or service than its cost which results in a varying percentage of profit. According to Liston-Heyes and Neokleous, 2000 the price discrimination occurs when a company is selling the same good or service for different prices to a different set or the same set of buyers, in an attempt to increase their profit. When a supplier identifies differences in the willingness-to-pay between consumers and a price in second-hand markets, he can charge the consumers what they are ready to pay. And the consumer surplus which has been created is now moved to the producer.

Haworth, 2017 says that "Three conditions must exist to enable a firm to profitably price discriminate: (a) the firm must have market power, (b) the firm must be able to distinguish among buyers on the basis of their demand-related characteristics (e.g. demand elasticity or reservation price), and (c) the firm must be able to constrain resale between buyers with high and low reservation prices (or demand elasticities)."

According to Kumar, 2017 there are more than three conditions for price discrimination.

1. Nature of Commodity
2. Distance of Two Markets
3. Ignorance of the Consumers
4. Government Regulation
5. Geographical Discrimination
6. Difference in Elasticity of Demand
7. Artificial Difference between Goods

Both of these authors may have a different number of conditions but in the main points of the conditions of price discrimination they agree and support the conditions that



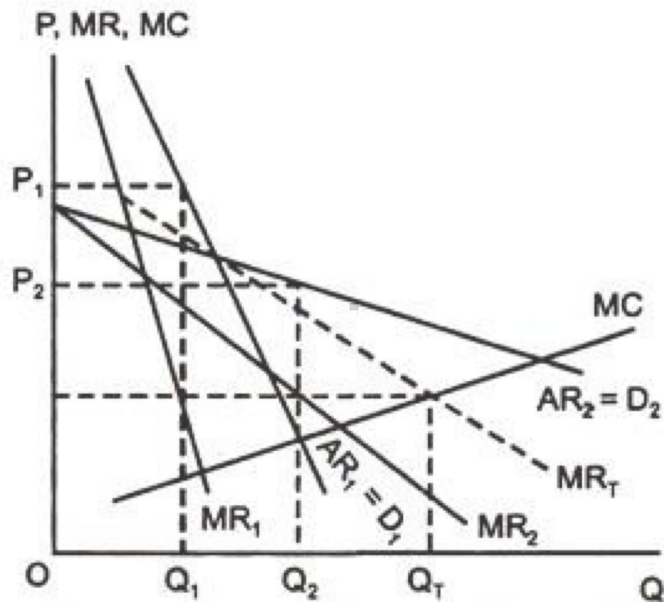
Liston-Heyes and Neokleous, 2000 defined as well. According to Liston-Heyes and Neokleous there are three conditions which are required to make price discrimination possible and beneficial. First, the producer must be able to segregate buyers or groups of buyers to prevent any exchange between them or selling for lower prices on the market. Second, There must be different price elasticities of demand between these two or more markets. (There must be a difference in the amount of money buyers are willing to pay for the goods or services.) And third, there must be a lack of price competition from the rival companies on the market. Because we need to prevent price levels from eroding.

### **3.1 Degrees of Price Discrimination**

There are also various types or degrees of price discrimination. Ferrell, Kapelianis and Rowland, 2016 divide price discrimination into three degrees. The first degree is discrimination based on what each consumer is willing to pay for specific product. It is demand-based, based on individual consumer. This degree of discrimination is unusual because sellers cannot normally determine the maximum price each individual would be willing to pay. They would have to spend too many resources for this determination. The first degree price discrimination may resemble negotiation or bidding between seller and buyer. The second degree of price discrimination can happen when a group of consumers is buying based on a quantity or time basis associated with to the nature of the products. Consumers are sometimes willing to pay more to speed up transactions or buy when there is less demand. Or for example different prices for a movie when it is a new movie in city theatres or when it is second run in suburban theatres, bulk purchases of retail goods, later paperbacks edition of a book versus hard-cover first edition books, higher prices for last minute tickets or peak time use of electricity. (Liston-Heyes and Neokleous, 2000, pg. 109) According to Ferrell, Kapelianis and Rowland, 2016 the last degree of price discrimination occurs when the buyers have different demand elasticities and are charged differently based on their visible differences as location, age or gender. When there is a possibility to identify specific groups of consumers - according to their characteristics. Liston-Heyes and Neokleous, 2000 add another example of third degree discrimination can be different price for electricity for households and business establishments, student and senior discounts or children's menu prices. From what was written above we can see that the gender

discrimination was included in the last degree which means the degree of discrimination which is the most important for this thesis now and that we will deal the most is the third degree. This type of price discrimination is the most common one.

Picture 9: Third-degree Price Discrimination



Source: Pal, 2017, online

In the picture above we can see how the third degree of price discrimination illustratively. This company could increase its earnings by expanding the output. They would lower the prices to both groups of customers, so that the MR for each group falls and equals the MC. We can suppose that the price  $P_1$  is charged to the first group of consumers and the  $P_2$  is the price charged to the second group.  $TC(Q_T)$  is the total cost of producing output  $Q_T = Q_1 + Q_2$ . then total profit is given by:  $\pi = P_1Q_1 + P_2Q_2 - TC(Q_T)$  This company can increase their sales to both groups of the consumers,  $Q_1$  and  $Q_2$ , until the incremental profit from the last unit is zero. On this illustration the consumers are divided into two groups but each of them have different demand curves. The ideal quantities and prices are when the  $MR_1 = MR_2$  and equal to the MC. The group 1 with demand  $D_1$  is charged  $P_1$ , and the group 2, which has more elastic curve  $D_2$ , is charged the lower price  $P_2$ . The total quantity  $Q_T$  is produced when  $MC = MR$  and profit is maximised. (Pal, 2017, online)

## 3.2 Gender Discrimination - The Pink Tax

Nowadays women have control over most of financial decisions in many households. Marketing research shows that they make about 85 % of all consumer purchases in the United States. In their share of food purchases the numbers are even higher. Three out of four women say that they are primary shopper in their household. But even with this reinforced financial power, women have to face an additional obstacle as consumers. They earn less than men, they pay more for the similar goods or they get less for what they spend. (Maloney, 2016, pg. 2)

Much has been already written about woman as wage-earners – the fact that women are usually earning less than men. In 2015, a woman with median earnings earned yearly about 20 percent less than her male counterpart earned. This difference is known as the „gender pay gap“. (Proctor, Semega, Kollar, 2016, pg. 15)

In the Czech Republic, the average pay gap between women and men is about 22%. The biggest difference is between the ages of 35 and 39 - when a male career begins to turn, but women of the same age often start from the beginning. The difference in average monthly wages between men with the youngest child aged 3 to 5 and women with the same old child is up to 39%. (Válková, 2017, pg. 15)

It is less well known but women are also disadvantaged as consumers. They are often paying substantially more than men for very similar goods and services. There are products and services, for example razors, soaps or toys for girls, which cost more than corresponding products marketed to men. The sellers may claim that the difference in the price is because of a higher cost for producing women's product or providing services for women, but there is plenty of evidence that the higher price is for practically identical products in many cases. And this markup has already become known as the „pink tax“. (Maloney, 2016, pg. 1)

Much has been discussed about lasting gender wage discrimination for female-headed families or for women of color but not so much attention has been paid to any economic difficulties women have to face in the market-place. There are laws which prohibit discrimination in specific non-retail markets such as housing or employment but they are not talking about discrimination in the overwhelming majority of retail markets. (Duesterhaus, Grauerholz, Weichsel and Guittar, 2011, pg. 176) Ayers says that *„...the most gaping hole in our civil rights law concerns retail gender discrimination. No federal law prohibits gender discrimination in the sale of goods or services. A seller could flatly refuse to deal with a potential buyer of a car or a paperclip because of her gender. and while the civil rights laws of the 1860's prohibited race discrimination in*

*contracting, the civil rights laws a century later only prohibited sex discrimination in a narrow range of "titled" markets. The thousands of other markets that make up our economy are completely unregulated with regard to gender discrimination..."*

Duesterhaus, Grauerholz, Weichsel and Guittar, 2011 wrote about the existence of a law prohibiting price discrimination. There is actually no federal law in the USA prohibiting price discrimination in this sense but there are few states who have outlawed the practise of charging man and women different prices for the same goods and services. This states are for example California, New York or Massachusetts.

Carolyn B. Maloney in her study for United States Congress adds that in California there passed a law which prohibited gender-based pricing in services (such as dry cleaning or haircuts) in 1995. Similar law passed in New York City in 1998 and in Massachusetts there is a Public Accommodations Act prohibiting gender-based pricing in cosmetology services. (Maloney, 2016, pg. 7)

In a study of 3000 global companies just 3,9 % of CEOs were women. In popular movies less than 30 % of the movie characters who speak are women. Some of countries in Europe decided to narrow this gap and they passed some laws as well. In Germany where in 2015 only 5,4 % of the top board members were women has passed a law requesting 30 % of the board of public listed companies to be women.

The problem of gender-based discrimination was spoken worldwide. The European Union accepted a directive that women and men should have the same access to goods and services. One of the results of this directive have made illegal charging different prices for auto, health and life insurance. Though insurance companies argued that women live longer than men and thats why the should charge different price depending on gender but the European Court of Justice decided against them. (Ferrell, Kapelianis, Rowland, 2016)

### **3.2.1 Possible Explanations**

*"Differences in the cost of producing goods or providing services are legitimate reasons for selling substantially similar products or services at different prices. For example, some products may face higher tariffs and materials of a specific color or scent deemed more feminine may cost more to manufacture. More labor may be required to provide a particular service such as laundering a fitted shirt as compared to a less-fitted shirt. Higher advertisement costs for placing ads targeting women may also increase marketing costs." (Maloney, 2016, pg. 5)*

According to Caroline B. Maloney, who processed the study for United States Congress there are some possible explanations for the Pink Tax. First of them can be Tariffs. There can be some differences in taxes depend on whether the goods is made for men or for women. For example the tariffs on imported clothing for women are at a higher rate than imported clothing for men. The difference is on average more than three percent and this cost can be passed on to the consumer.

Other explanation is often presented by companies as a marketing strategy of „product differentiation“. The companies want to differentiate their product or service from others and make them more attractive to the customers. They can change the packaging or for example the color of the product and that is what can increase the cost of production. When the company will choose to produce smaller number of pink razors it can increase the cost per razor relative to larger run of blue razors.

Another practise of charging consumers different prices for the same product is known as price discrimination. It can work as when the sellers are attracting the buyers who wouldn't otherwise buy their product by offering them a lower price. But it can also mean a higher price for those who are willing to pay more for the product or service. An example for this discrimination are the student or senior discounts and discounts for airline tickets purchased in advance and higher prices for the last-minute ones. So if the sellers think the women are willing to pay more for some product or service, they are likely to charge more for the version of the product marketed to them.

Some markets does not have to be completely competitive and the competitors who would set up the prices for women's versions of the product or services too high may be prevented from entering the market. And the result of that can be that the companies holding significant share of the market would be able continuing to charge more for the products and services marketed to women. This can show that there is a role for government intervention as they take an active role in maintaining competitive marketis. This last practise or possible explanation for the pink tax can be called price fixing.

There are many other possible explanations for higher prices of products and services for women which may be valid. If the sellers see that the competitors are selling gender-specific variation of a product and the customers are paying more for this variation they may collude to keep prices of this products and services for women higher by rising their own prices. However, the overall impact is that women will pay more than men because it meets cultural gender expectations. (Maloney, 2016, pg. 5 - 6)

### **3.3 Studies**

Gender-based discrimination is a really important issue that has resulted in many researches and some public policy decisions as mentioned above. There have been a lot of studies on business ethics and gender or even more was written about gender pay discrimination in the literature (in 2013 in the USA women made 78 cent for every dollar made by a man) but just little attention has been paid to in the direction of gender-based price discrimination. But gender-based discrimination is a issue which has a potential to have serious consequences for the economic equity of women and the welfare. Especially in connection with the gender gap in pay. (Ferrell, Kapelianis, Rowland, 2016)

#### **3.3.1 From Cradle to Cane: The Cost of Being a Female Consumer**

In New York City a study of gender-based price discrimination has been made and was called From Cradle to Cane: The Cost of Being a Female Consumer. (A study of Gender Pricing in New York City) The study was made in December 2015 by New York City Department of Consumer Affairs which is a department responsible for maintaining a fair marketplace, the chief commissioner was Julie Menin and the mayor Bill de Blasio. It was the first study ever dealing with gender pricing of goods in New York City across different industries. The study was divided into five categories of goods. The toys and accessories, children's clothing, adult clothing, personal care products and senior/home health care has been investigated. This categories were selected because they reflect an average consumer lifecycle. Consumers of all ages - from baby to senior products.

The study showed that products for women cost on average 7 % more than nearly identical product for men. The New York City Department of Consumers Affairs investigated 794 products from 91 brands for sale in New York City, both online and in stores, and found that products for women were more than twice as often priced higher than products for men. 42 % of products for women had higher price than the men's variant. Products for men had higher price in 18 % of the cases and the prices were the same in 40 % of the cases as we can see in the table below.

Picture 10: Pricing Disparity Frequency Chart, All Industries

<b>Total</b>	<b>Number of Times</b>	<b>Incidence</b>
Women pay more	168	42%
Equal	157	40%
Men pay more	72	18%
<b>Total</b>	<b>397</b>	<b>100%</b>

Source: Menin, 2015, pg. 6

The prices for women's products were higher across categories of the industry. The difference in average prices were lowest for children's clothing (+4 %), then toys and accessories (+7 %), adult clothing and senior/home health care (+8%) and the biggest difference between products for man and women were in the category of personal care products (+13 %).

The main goal of this study was to measure price differences which men and women can face while buying the same products. The New York City Department of Consumer Affairs deduced an average price for 35 products based on analysis of 794 items and compared the prices of analogous products for men and women. The Agency selected products which had the most similar versions in ingredients, branding, textile, construction, visage and marketing for men and women. They analyzed 5 industries, 24 stores, 91 brands, 35 product categories and 794 products.

Before this study in 2015, there were some other studies about the issue of gender-based pricing. In 1994 there was one in the State of California where they estimated that women paid "gender tax" of 1351 dollars per year for the same services as a men. This study by New York City Department of Consumer Affairs did not estimate an annual financial impact but the detection of this study say that women pay thousands of dollars more for the similar products as men. This higher prices are in most cases unavoidable because single consumer, single woman does not have control over the textiles and ingredients used in the products marketed to them and she has to make purchasing decisions based on the market offer. Manufacturers and retailers are who

decide on greater financial burden for women. The New York City Department of Consumer Affairs also encourage consumers to join social media campaign for fair pricing by sending examples of gender pricing they found. (Menin, 2015, pg. 5 - 6)

### **3.3.2 The Pink Tax**

There have not been many studies that would focus directly on the theme of the pink tax on the Czech market. The first comprehensive article on pink tax theme on the Czech market was an article called "Růžová daň" in Ekonom magazine in November 2017 written by Zuzana Válková. This article was the first research directly in stores on the Czech market. The article is based on the above-described study From Cradle to Cane: The Cost of Being and Female Consumer and compares similar products as compared in 2015 in the United States. The economist set out to shop with Kateřina Mizeračková who works at Alinvest as a purchasing specialist to investigate the claim that women pay for the same goods more than men. And they found a number of examples that it is true. This study shows that the biggest differences is in the hair care category and that it is often difficult to compare prices due to product placement in stores and also due to the absence of prices directly on the products. Sometimes, at first sight, it may seem like a product that is for men and women at the same price but after closer examination, the product for men has a larger volume for the same price. This study found differences in many categories - from toilet waters (where for example the men's version was about 10 CZK more expensive but the volume was three times more), over bicycle equipment and toys for children. In all of the categories there were products for which prices were balanced but also products where the prices between products for men and women varied up to hundreds of crowns.

In addition, the study discusses the fact that it has called on companies to comment on this situation and Deloitte was the only company which offered its estimate of the situation. Michal Černý, manager of the company, says they are not aware of any study that would follow - or even explain - a different valuation of identical products for men and women. Sellers can be expected to determine prices on the basis of a comparison with their competitors. And if women accept more expensive goods and do not put pressure on the seller, it's hard to equal the prices. The reason may be also that the individual products are physically in the store in different places, which means that direct comparison is not easy.



The study also deals with the comparison of male and female average income on the Czech market. The biggest difference (up to 39%) in average monthly wages is between men with the youngest child aged 3 to 5 and women with the same old child. This study contains a poll where they ask five prominent personalities their awareness of the pink tax. And it also summarizes the historical context of women's rights and equality in the world. (Válková, 2017, pg. 18)

### **3.3.3 Gender-Based Pricing in the Hairdressing Industry**

Another study was published in Journal of Consumer Policy in 2000. This study was called Gender-Based Pricing in the Hairdressing Industry and was made by Catherine Liston-Heyes and Elena Neokleous. This two women investigated gender-based discrimination in the hair industry in both United States and United Kingdom. Women were usually charged more, no matter what type of haircut and time spend on the haircut. The court in the United Kingdom decided that the salons can charge women more because women's haircuts generally take longer. But in the New York City they decided differently. The court recognized that there were different costs for men and women and it means the gender discrimination.

This study talks about how the hairdressing habits have changed in recent years. Men are trying new things, women are more into care-free haircuts, more home styling equipment is available, there are more unisex salons than before but the prices for men and women are still different even when the haircut can be almost the same. The goal of this study was to determine the scope and scale of gender-based differences in price in United Kingdom hairdressing and found whether it is price discrimination or some other factor specific for this industry. The price discrimination was described in theory with some examples and it was said that the gender price discrimination in haircuts would be an example of third degree price discrimination where women and men are charged differently and the difference reflects gender's price elasticity of demand. The hairdressing industry background was described and prices compared. The survey found that women pay an average of £10 more to have their haircut. The study also tried to find out the possible reasons for this different pricing like - "women take longer", "women are more fussy" or "women expect more". (Liston-Heyes, Neokleous, 2000)

### **3.3.4 Other Studies**

#### ***The Cost of Doing Femininity: Gender Disparities in Pricing of Personal Care Products and Services, 2011***

Other studies have also dealt with the issue of gender-based pricing in the hairdressing industry. One of them is a study *The Cost of Doing Femininity: Gender Disparities in Pricing of Personal Care Products and Services* by Megan Duesterhaus, Liz Grauerholz, Rebecca Weichsel and Nicholas A. Guittar from 2011. As the name suggest this study was not just about the hairdressing but also mainly about the personal care products. It describes interaction between genders and economy which has been ignored by social scientists - gender-based differences in the price of goods and services in the personal care industry. They documented differences in price in three industries which provide similar products both for men and women - dry cleaners, hair salons and retail sale of personal care products (body sprays, deodorants). They suggested women do tend to pay more than men for some types of products and services - especially those which provide visible evidence of gendering the body. The study says this practices strengthen essential thinking about gender and allocate additional burden on those who already earn less.

This study found that only 15 of 100 salons where the data were collected had equal starting prices for men's and women's haircuts and there were 0 salons offering cheaper haircuts for women. Women paid for basic haircut on average \$ 35,02 and men paid \$ 22,78 which is a significant difference. In dry cleaning, they compared different pieces of clothes but for example one of the pieces where were the biggest difference in price for a men and women were the shirts. The average cost to clean a men's shirt was \$ 2,06 while the cost for a women's shirt was \$ 3,95. This pricing difference existed before considering the additional costs when the clothes is made of special fabrics (silk or rayon) or has pleats or embellishments. In personal care products this study found that women pay on average \$ 1,44 per ounce and men pay \$ 1,15 which makes the difference almost 30 cents per ounce. In this case sometimes the price in the shelf seem to be the same but the deodorants for women often contain fewer ounces. (Duesterhaus, Grauerholz, Weichsel, Guittar, 2011)

#### ***The Pink Tax, How Gender-Based Pricing Hurts Women's Buying Power, 2016***

A study called *The Pink Tax, How Gender-Based Pricing Hurts Women's Buying Power* was made for the United States Congress in December 2016 by Joint Economic Committee and its banking democrat Carolyn B. Maloney and summarizes the problem of

gender-based pricing and the gender pay gap. This gap was a 20 % difference between average salary of men and women in 2015. Much has been already written about this lower wage earnings for women so this study focuses on women's earning power and its history (Nowadays women make 85 % of all consumer purchases in the United States.), legislative actions to eliminate the Pink Tax or possible explanation for the Pink Tax. This explanation can be tariffs, product differentiation, price discrimination or for example price fixing and have been already described in more detail above. This study is based in part on the study From Cradle to Cane: The Cost of Being a Female Consumer from 2015. At the conclusion the study says that *"With more informations, policymakers can take action to fully reap the benefits od women's economic power as both breadwinners and consumers."* (Maloney, 2016)

### ***Expectations and Attitudes Toward Gender-Based Price Discrimination, 2016***

Last study to be described, although there are many more stuides on this issue, is a study called Expectations and Attitudes Toward Gender-Based Price Discrimination by O. C. Ferrell, Dimitri Kapelianis, Linda Ferrell and Lynzie Rowland from August 2016. This study differ from previous ones because is not focused just on the gender-based price discrimination but on the opinion on this discrimination as well. The study is divided into two parts. In the first one two scenarios were manipulated to measure attitudes and expectations toward gender-based discrimination. The scenarios were related to different prices at dry cleaning services (prices were set to \$ 2,50 for men and \$ 4,50 for women) and at hair salon (where the prices were \$ 15 for men and \$ 25 for women) The study found that the expectations differ between men and women. Men were expecting the gender-based pricing more than women. In the second part were qualitative research focused on the cognitions women and men experienced when they faced the gender-based price discrimination. It was measured what emotions gender-based discrimination raises in the participants. For example, if they find it fair, unfair, if there is anger or they are confused. In this part of the study women expressed significantly more negative thoughts about the different pricing than men. (Ferrell, Kape-lianis, Ferrell, Rowland, 2016)

### **3.4 Setting Hypotheses**

Based on the theoretical context and above all on the basis of studies previously dealing with the problem of the pink tax a research was created. For research purposes, three research hypotheses were established:

- I suppose that more than 50 % of respondents will not have a clue what the pink tax is. And I assume that people are more informed in the US than in the Czech Republic.
- I assume that the pink tax exists in Czech Republic as well as in the United States of America. It occurs in goods as well as in services, and I suppose that it has declined in the US since 2015.
- I suppose people do not agree with pink tax. Similarly on the Czech and American market but women disagree more than men.

## **4 MARKETING PROBE - QUESTIONNAIRE**

Marketing research is a function that connects consumers, customers and the public with the company using information that are used to identify and define marketing opportunities and problems, create, improve and evaluate marketing activities, monitor marketing performance, and helps to better understand the marketing process.

Marketing research is exploited through a range of activities, from the market potential analysis and market share to customer satisfaction studies and purchasing intentions. (Kotler, 2007, pg. 406)

In marketing research, we work with different types of data. The data may come from different sources and can serve different purposes for further use. Some data have already existed before the research project started, other data need to be obtained from the environment. Data can be generated in different ways. They may be the result of a response from the respondent to the question asked. The type of data used, as well as their source, often gives naming the entire method of the marketing research. (Tahal, 2017, pg. 26)

## **4.1 Marketing Probe Project**

A research marketing probe is described below. Its result, together with the information described in the previous chapters, will allow to confirm or disprove at the end of the study whether there is awareness of the Pink Tax among the people, whether this awareness differs in the Czech and American markets and what the people think about the issue. At the same time, it also looks at consumer buying behavior because of the overall context and view of the Pink Tax.

### **4.1.1 Basic Characteristic and Methodology**

- The probe was carried out between 20 April 2018 and 15 May 2018
- The planned number of respondents was 150 respondents
- The set was made up of a non-representative probe, therefore the obtained findings will be presented as indicative in the given issue
- Respondents were addressed via the Internet, specifically via [www.facebook.com](http://www.facebook.com) and via Kansas State University email, where they were referred to the relevant research page
- The questionnaire was located on the Kansas State University Online Survey website: [https://kstate.qualtrics.com/jfe/form/SV\\_5vUeD0kbWXuwArb](https://kstate.qualtrics.com/jfe/form/SV_5vUeD0kbWXuwArb)

### **4.1.2 Pre-Research**

After the survey was completed, pre-research was carried out to verify the clarity and meaningfulness of the questions. Everything was consulted at the Kansas State University with Dr. Esther Swilley, who has a lot of experience in producing questionnaires and marketing research. The shortcomings of the questionnaire were corrected, the questionnaire was put into final form, tested, and then sent to the respondents.

### **4.1.3 Structure of Marketing Probe**

The questionnaire contained a total of 23 questions, of which 7 were related to basic socio-demographic data (age, gender, education, country of residence or for example if they are the head of the household). These questions were placed at the end of the questionnaire. The other questions were primarily from two groups - the first was focused on consumer buying behavior and the other on the Pink Tax. Research questions

were closed and some were closed with an open response option (if the answer was different from the ones in the selection).

#### **4.1.4 Goals and Hypotheses of Marketing Probe**

The aim of the marketing probe was to confront customers' awareness of the pink tax issue, to find out their attitudes and the view of the existence of this problem. At the same time, find out their basic buying behavior and to see if there are differences between men and women. A goal was also to compare these results on the Czech and American markets. Following hypothesis has been identified:

- *I suppose that more than 50 % of respondents will not have a clue what the pink tax is. And I assume that people are more informed in the United States than in the Czech Republic.*

## **4.2 Results of Questionnaire**

The results of the research are shown below - the most interesting ones are in graphs and commented on for clarity. Some questions that were not necessary to process graphically are only briefly commented on.

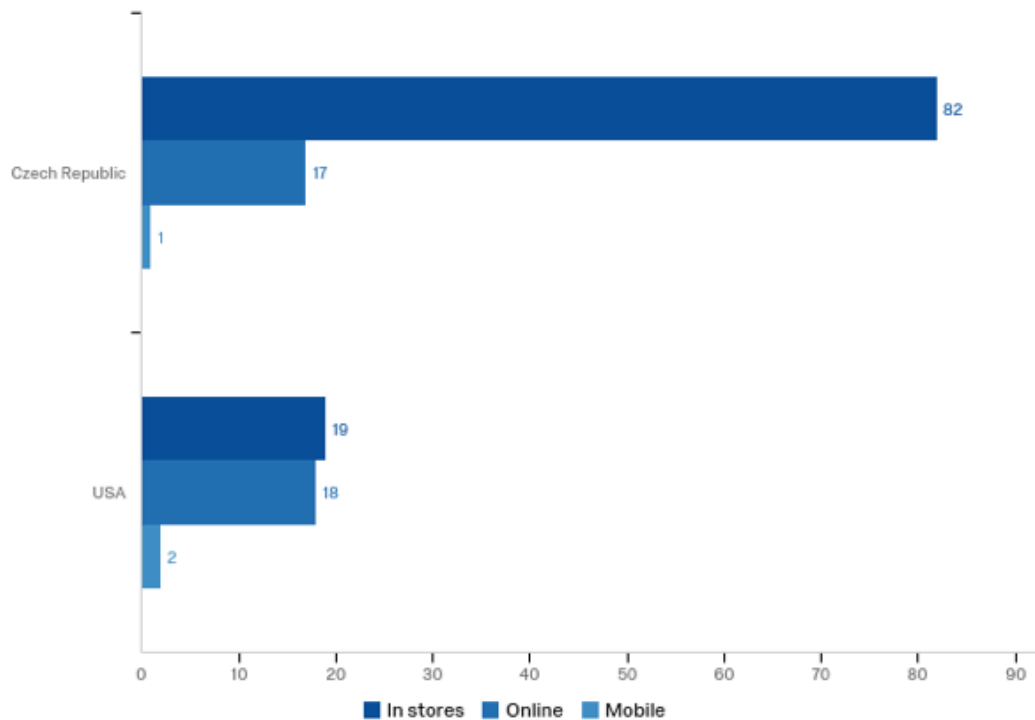
The first set of questions addressed consumers' buying habits for an idea of their buying behavior. These questions were used as a guideline for introducing the issue.

The first question dealt with how often respondents are shopping on average per month. The answers to this question were comparable in the Czech and American markets. The most frequent answer was "More than 5 times per month," 44 % of Czechs and 41 % of Americans said this. The second most frequent was "3 - 5 times per month" which answered 22 % of Czechs and 25.64 % of Americans.

The second question looked at where do consumers do most of their shoppings. This question is interesting in view of the fact that the responses were very different on the Czech and American markets.

Graph 1: Where do you do most of your shopping?

### Q2 - Where do you do most of your shopping?



Source: own processing, The Pink Tax survey

While 82 % of Czechs shop in stores, only 48.71 % of Americans marked stores as their main place of purchase. For Americans, this was the most common answer as well, but almost the same percentage of respondents (46.15 %) get online purchases in this market. On the Czech market, online shopping is the main shopping for only 17 % of the consumers. Mobile purchases are only marginal for both of these markets.

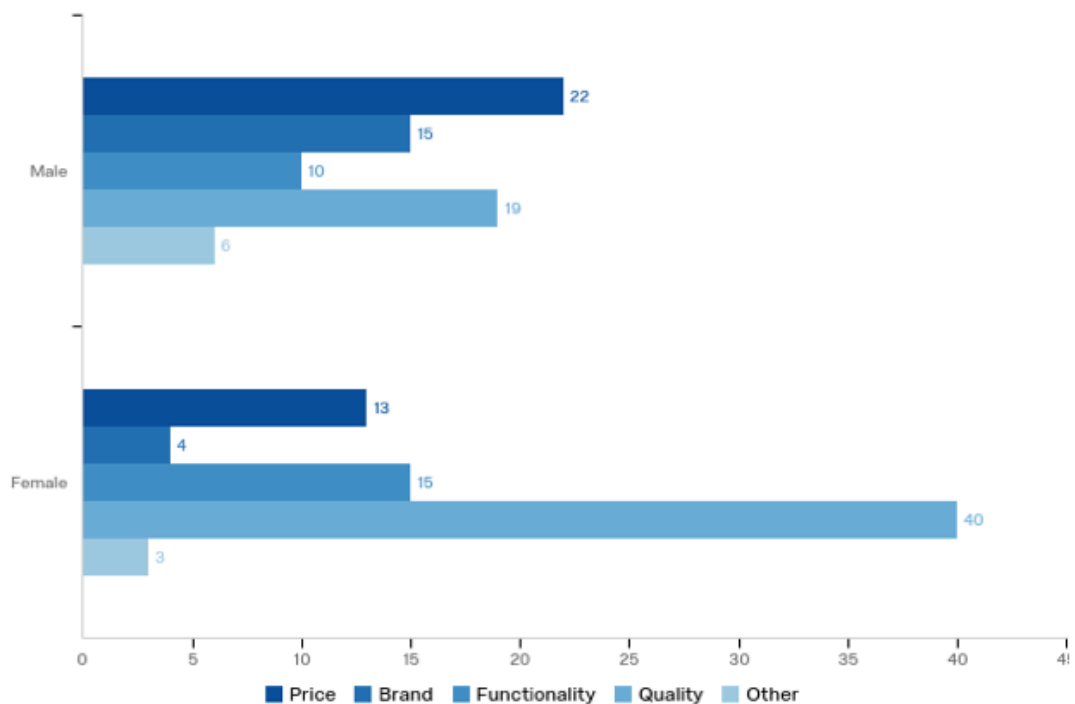
The third, fourth and fifth questions addressed what factors are the most important for consumers when they buy a particular type of goods. The third question asked about the most important purchasing factors when buying clothes, the fourth asked about the most important purchasing factors when buying electronics, and the fifth question tackled the most important purchasing factors when buying cosmetics. Some responses differed in the markets. For example, when buying clothes, the most important for the Czechs was the fit (50 %) but for Americans the most important was the price (33.33 %). When buying electronics there wasn't a big difference between the markets. The functionality was the most important for both of them (47,30 % of total answers). The second place took the quality both in the Czech Republic and in the United States (29,73 % of total answers). Functionality was the most important factor

even when we compared a group of men and a group of women. But it was interesting to note that design as the most important factor was marked by 0 men, but 5 women (6.66 %), it is not many but still 5 times more than men.

The most interesting question in this part of the questionnaire should be the question which was dealing with the most important factors when buying cosmetics. Because personal care products were the ones where the difference between prices for men and women was greatest (13 % difference in price in the study *From Cradle to Cane: The Cost of Being a Female Consumer*, form 2015). The differences between the Czech and American markets were not great. For both markets, quality was the most important factor (39.86 % of total answers). The second place on the Czech market was the price (25 %) and for the American market it was the brand (20.51 %). But perhaps more interesting in this question was the comparison of women and men.

Graph 2: What is for you the most important purchasing factor when buying cosmetics?

**Q5 - What is for you the most important purchasing factor when buying cosmetics?**



Source: own processing, *The Pink Tax survey*

In this graph we can see that for men the most important factor when buying cosmetics is the price (30.55 %), while for women the most important factor is the quality (53.33 %) and the price is up to third for them, behind functionality. This may be one of



the answers to why there was a difference in prices for the same personal care products for men and women. From this question, women seem less dependent on the price of the cosmetic product and are therefore likely to spend more.

This section of the questionnaire included three more questions about how often consumers compare prices of similar products when buying a particular type of goods. These questions could be answered very often, often, sometimes, rarely or never. For questions about price comparison of similar goods when buying clothes and cosmetics, the answers of Czechs and Americans were similar in both questions. The Czechs most often responded that they compare prices only sometimes (33 % clothing, 32 % cosmetics), Americans do compare clothing prices often (41%) and cosmetics prices very often (25.64%). Men and women responded differently in these questions. In the question about price comparison when buying clothes, men most often responded that they compare prices often, while women said they compare prices only sometimes. However, in the question about cosmetic price comparison the result was the opposite. Men compare prices sometimes but women compare very often, which is interesting if we look at one of the previous questions where women answered that the price when buying cosmetics is not such an important factor for them.

The results of the last question from these three were different from the previous two, but the same for the Czech Republic and the US, as well as for men and women. The Czechs replied that prices of similar products when buying electronics are very often compared (65.05 %), the same answer was given by the Americans (53.85 %). And so the most common answer for both men and women was that they compare prices very often in this case.

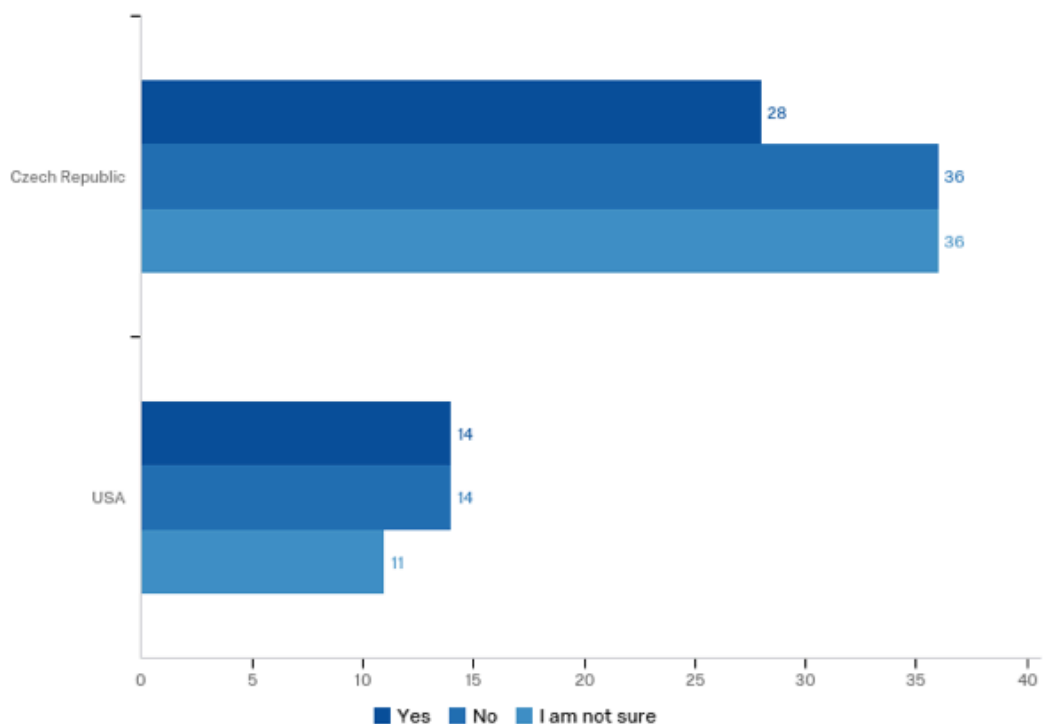
The next part of the questionnaire focused directly on the issue of the pink tax. It dealt with how people are informed about the Pink Tax and their views on this issue. The first of these questions asked whether consumers know what the term pink tax means. Almost all respondents have responded correctly that the pink tax is simplified when women have to pay more than men for similar products (88 % of Czechs and 82.05 % of Americans). The second question - for the hypothesis the most important question - explained what the pink tax is *"The pink tax is an extra amount of money women have to pay for essentially the same products that men pay less for. Some of the items are small things such as razors, deodorants or shampoo but there are larger expenses like dry cleaning or haircuts for example. It is named "The Pink Tax" because of the color of products directly marketed to girls and women."* and asked if the respondents had

heard of this problem before. There was a difference between the Czech Republic and the United States. 64% of Czechs answered that they had never heard of the tax before but Americans who had not heard about it before were 56.41%. Also men who have not heard about the tax were more than women, as could be expected. Thus, it is possible to confirm the hypothesis that more than 50% of respondents will have no idea what the pink tax is. And at the same time we can confirm the second part of the hypothesis that people are more information about the pink tax in the US than in the Czech Republic. The difference is 7,69 %.

The next question was about whether the consumer had ever paid the pink tax personally and as it already appears from the previous question, greater awareness of the pink tax is in the US.

Graph 3: Have you ever paid the pink tax personally?

**Q8 - Have you ever paid the pink tax personally?**



Source: own processing, The Pink Tax survey

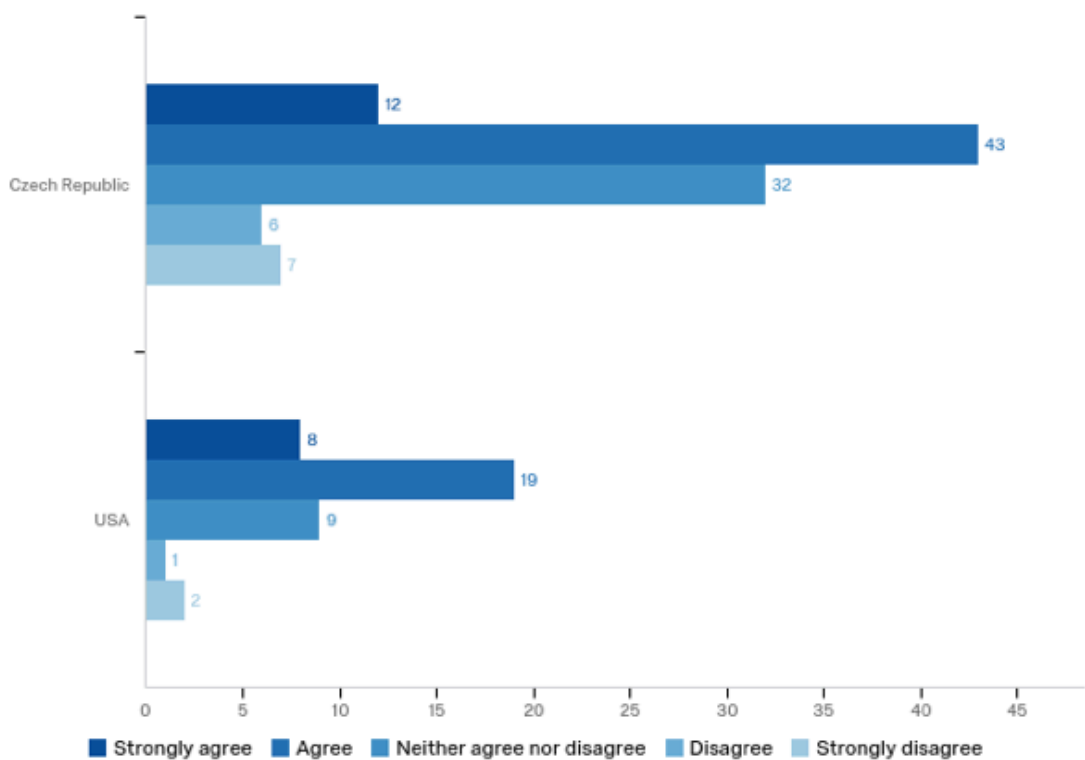
On the chart we can see that in the Czech Republic 72 % of the respondents answered that they did not experienced the pink tax personally or are not aware of it. On the

other hand, in the United States, we see that 35.90 % of respondents have already experienced the tax. If we compare men and women on this question, it was likely that 64.38% of men responded that they did not pay the tax personally, surprisingly 30.14% said they are not sure. 52% of women said they have already paid the pink tax and 37.33% were not sure if they did. So more than half of women have already experienced the pink tax in their lives and have personally paid it, which is far more than expected.

Several other questions were in the form of claims, and consumers had to answer to what extent they agree with the statement. They have the choice of: strongly agree, agree, neither agree nor disagree, disagree and strongly disagree. First of these questions was asked whether consumers think that women pay for similar products more than men.

Graph 4: I think women pay more for similar products (such as razors) than men.

**Q12 - I think women pay more for similar products (such as razors) than man.**



Source: own processing, The Pink Tax survey

It is clear from the chart that the most frequent answer in both markets was that they agreed with this statement (43 % the Czech Republic, 48,72 % the United States). But

the second most common answer - neither agree nor disagree was much more common on the Czech market (32 %) than on the US market (23.07 %). That means people in the US are more secure in the existence of the pink tax. As well as the research has shown that women are more secure than men in the existence of the pink tax.

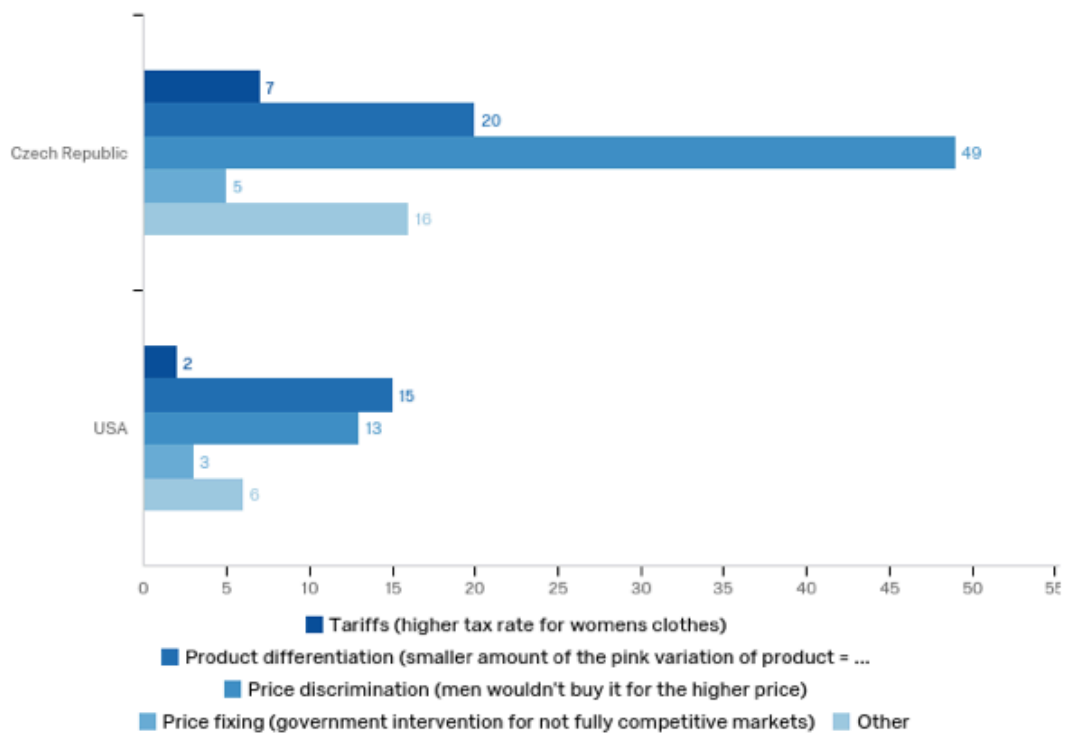
The next question tested the opinion whether the respondents think that women should pay more than men for similar products. Most of the respondents answered "strongly disagree" as expected. The second most frequent answer was "disagree" in all tested groups.

The respondents were also asked whether they think people should be more informed about the pink tax. Responses of both Czech and American markets, as well as men and women did not differ even in this case. And all these groups most often chose the "agree" choice in this question.

In one of the last questions about the pink tax, consumers should say what they think is the reason for it. The answer to this question were set according to the study *The Pink Tax, How Gender-Based Pricing Hurts Women's Purchasing Power* from 2016, where possible explanations of pink tax were given. The answers of the Czechs and Americans were different in this case, as we can see below.

Graph 5: The reason for the pink tax is:

### Q17 - The reason for the pink tax is:



Source: own processing, The Pink Tax survey

49 % of the Czechs said that the reason for the pink tax is price discrimination, which means that men would simply not pay a higher price. But 38,61 % of the Americans thought that the main reason is the product differentiation - when there is a variation of the product (for example pink color) in smaller amount, then this variation costs more money. Respondents also mentioned others - their own reasons for the existence of the pink tax. For example:

- *"Women care more about buying pretty stuff and that is something you have to pay for"*
- *"It is a business"*
- *"Women shop more, it is a opportunity to earn more"*
- *"Price discrimination, usually on products that females care more about than males"*
- *"Marketing - Girls don't mind to buy more expensive product just because of the color..."*

The respondents were also asked how the product price should be set. They had a choice of options: according to the production price of the goods, at a point where people are still willing to buy, based on the quality of the product or some other way. The most frequent answer by both Czechs and Americans was that the price should be set according to the quality of the product. This answer was reported by 52 % of Czechs and 38.46 % of Americans, Americans also often said that the price should be set at the point where people are still willing to buy (30.77 % of their answers).

The last seven questions dealt with socio-demographic data, which more closely describe a group of the respondents and which makes it possible to compare opinions that differ in different groups. The questionnaire was filled by 49.32 % of male and 50.68 % of female. From the age of 18 to 24, there were 61.49 % of the respondents, 33,11 % were between the ages of 25 and 34, 4.05 % between 35 and 44 and 1.35 % of the respondents were between 45 and 54 years old. 67.57 % of respondents were from the Czech Republic, 26.35 % of respondents were from the United States and another 6.08 % of respondents from other countries. Only elementary school was represented by 0.68 % of the respondents, primary school had 39.46 %, bachelor degree was represented by 40.14 %, master degree by 19.05 % of the respondents and doctorate degree or higher stated 0.68 % of the respondents. The occupation of most of the respondents was a student (47,26 % of them). The second place was technical occupation (23,29 %) and the third place took the management (14,38 %). Most of the respondents were single (70,27 %), 23,65 % of them were living with partner and 6,08 % were married. The last question of the research was whether they are the head of the household. 41,50 % said yes and 58,50% of the respondents said that they are not. (This answer was surprisingly almost equal to half a half between men and women.)

# 5 MARKETING PROBE - FIELD RESEARCH

To complement the first research and complete answer to the hypotheses, another marketing research was necessary. This second research was done in a different way. It was carried out in the field - on the Czech and American markets. The first research responded to the hypothesis whether more than 50 % of respondents will not have a clue what the pink tax is. And if people are more informed in the US than in the Czech Republic. In this research, it has to be confirmed or disproved whether the pink tax exists in Czech Republic as well as in the United States of America. If it occurs in goods as well as in services, and if it has declined in the US since 2015 and whether people do not agree with pink tax. If it is similar on the Czech and American market and whether women disagree more than men.

## 5.1 Marketing Probe Project

An non-representative marketing probe is described below. Its result, together with the information described in the previous chapters, will allow to confirm or disprove at the end of the study whether the pink tax exists in Czech Republic as well as in the United States of America. Whether it occurs in goods as well as in services, and if it has declined in the US since 2015. In this research, the goal is to get an answer to another hypothesis and that is whether people do or do not agree with pink tax. Similarly on the Czech and American market but and whether women disagree more than men.

### 5.1.1 Basic Characteristic and Methodology

- The probe was carried out between 20 April 2018 and 1 August 2018
- The probe was divided into three parts
- The first part took place in the hairdressing industry and was focused on whether pink tax exists in the services
- The second part was focused on products and compared the Czech and American markets and the change from 2015
- The third part used the questionnaire and dealt with the opinion of respondents on the pink tax
- The first and second part of the research was conducted in the field, in the Czech Republic and in the United States
- Prices of goods and services were photographed and then compared

- 20 hairdressers were compared
- Nearly 100 different products were compared
- The set was made up of a non-representative probe, therefore the obtained findings will be presented as indicative in the given issue

### **5.1.2 Pre-Research**

This non-representative marketing probe was created based on studies that have been conducted on similar topics, mostly in the United States. All these studies have already been described in this thesis. Part of the research dealing with the existence of a pink tax in services was based on the Gender-Based Pricing in the Hairdressing Industry from 2000. Another part dealing with the comparison of different prices of products for men and women on the Czech and American markets and comparison over time was based primarily on the study From Cradle to Cane: The Cost of Being a Female Consumer from 2015 but but also on many other studies previously described in this paper. And the last part of this research drew data from a questionnaire created at Kansas State University which is described above. All the data were collected at public sales points and processed by methods similar to those in the studies.

### **5.1.3 Structure of Marketing Probe**

Marketing research took place first on the American market, then on the Czech market. The data was drawn from both the stores and the store's website. The first part of the research took place in random 20 hairdressers. The second part explored nearly 100 different products from 5 different categories. The resulting numbers have always been averaged and compared. The prices were calculated in two different currencies, so the results were shown in percent, in order to compare them.

### **5.1.4 Goals and Hypotheses of Marketing Probe**

The aim of this research was to find out whether the pink tax exists in Czech Republic as well as in the United States of America. Whether it occurs in goods as well as in services, and if it has declined in the United States since 2015. Other goal was to get an answer whether people do or do not agree with pink tax. If the attitude is similar on the Czech and American market and whether women disagree with the pink tax more than men. Two hypotheses were set for this research:



- *I assume that the pink tax exists in Czech Republic as well as in the United States of America. It occurs in goods as well as in services, and I suppose that it has declined in the US since 2015.*
- *I suppose people do not agree with pink tax. Similarly on the Czech and American market but women disagree more than men.*

## **5.2 Services**

The pink tax appears not only for products but also for services. It may appear in a car repair shop, in dry cleaners or one of the most common examples is different pricing in hairdressing industry. Most people will not even be surprised by a different price for men and women at the hairdressing. In history, female hairstyles have always been complicated, and their creation always took much longer than men's hairstyles, so the distinction has seemed natural.

But a lot of things have changed. Men try new things with their hair, hair colors, hair replacement or designer haircuts. Women in turn have started to prefer care-free hairstyles and more natural-looking hair. (Liston-Heyes and Neokleous, 2000, pg. 107)

Differences between hairstyles diminish, and we can no longer say that women have long hair, men short, therefore women spend more time at the hairdresser and that is why they should pay more. If there are no objective differences in haircuts between men and women, are there still different prices?

A study from 2000 by Catherine Liston-Heyes and Elena Neokleous investigating gender-based pricing in the hairdressing industry in the United States and the United Kingdom has previously been described in this thesis. In the study, it was confirmed that women are systematically price discriminated on the basis of gender, in the hairdressing industry.

One of the basic hypotheses of this research is that the pink tax exists both in the Czech Republic and in the United States of America and that it appears in both goods and services. This means that one of the goals of the thesis was to verify whether the pink tax exists in services. Another thing we would like to find out is what is the situation on the Czech and American market and whether they differ. The hairdressing industry has been selected because it is known that the tax had previously appeared there and

the studies that have served as the basis for this research have already been developed in the hairdressing industry.

Prices for a haircut will be compared in different hairdressers in both markets. Twenty random hairdressers from both markets were selected. The hairdressers were from different price categories. Most of them were visited personally and some prizes were drawn from their website. If the prices were differentiated by hair length, these prices were averaged and this average cut price was used. The prices in the first table are given in Czech Crowns and the difference between the price for men and women is then converted to a percentage.

Table 1: Hairdresser in the Czech Republic

Czech Republic	Men Average	Women Average	Difference	Percent Difference
Marie Hair Studio	370	820	450	122 %
Studio Rebecca	340	690	350	103 %
Salon Alena	275	726	451	164 %
Kadeřnictví Vinohrady	225	475	250	111 %
Kadeřnictví Praha 1	350	750	400	114 %
Kadeřnictví u Gabči a Gabči	110	165	55	50 %
Hair Fashion Point	590	950	360	61 %
Bomton	900	1425	525	58 %
Vlasy Studio	113	367	254	225 %
Salon Wave	150	425	275	183 %
<b>Mean price</b>	<b>342,3</b>	<b>679,3</b>	<b>337</b>	<b>98 %</b>
<b>Median price</b>	<b>307,5</b>	<b>708</b>	<b>400</b>	<b>130 %</b>

Source: Own processing, field research

On the Czech market we can see that the average difference in price for a haircut is 337 CZK which is an average percentage difference of 98 %. This means that women for basic hair cuts pay nearly twice as much as men. The median price is 400 CZK which

is an average percentage difference of 130 %. There was even a case where the price for a woman's hair cut was more than double of the price for a haircut for men. There was no case when the price for men and women would be the same. That means that gender discrimination occurred in 100% of the cases investigated.

The situation in the United States appears to be better at first glance. The mean price difference is 3,40 UDS which is an average percentage difference of only 8 %. And the median price difference is 4,76 UDS which is an average percentage difference of 20 %. But the problem is that the hairdressers which show a zero difference between prices for men and women are mostly in New York City. One of them was in Manhattan, Kansas as well but there were also hairdressers with 47 % or 94 % average differences in price for men and women.

The reason for this is probably, as already mentioned above, that in 1998 in the New York City passed a law prohibiting gender-based pricing of services. This happened on the basis of an investigation called Gyped by Gender - price bias against women in marketplace which the New York City Department of Consumer Affairs conducted in 1992. (Menin, 2015, pg. 15)

The prices in the second table are quoted in US dollars and the resulting difference is then converted to a percentages to compare the results with the results from the Czech market.

Table 2: Hairdresser in the United States

United States	Men Average	Women Average	Difference	Percent Difference
Mr Lucky Barber Shop Hair Styling	18	18	0	0 %
La Fere	70	70	0	0 %
Unique Cut	25	25	0	0 %
International Haircutter	21,49	21,49	0	0 %
Prestige	92,5	92,5	0	0 %
Hair Shapers	16	31	15	94 %
Smart Style	13,27	13,27	0	0 %
Salon Essentials	17	25	8	47 %
Alcheme	65	95	30	46 %
Ingenious	62,5	75	12,5	20 %
<b>Mean price</b>	<b>40,08</b>	<b>43,47</b>	<b>3,40</b>	<b>8 %</b>
<b>Median price</b>	<b>23,25</b>	<b>28</b>	<b>4,76</b>	<b>20 %</b>

Source: Own processing, field research

The research has confirmed the hypothesis that the pink tax exists in services as well. And not in a small amount - especially on the Czech market.

When comparing research on these two markets, the situation in the Czech Republic appears to be noticeably worse. The US market achieved better results thanks to the New York City in particular, but gender-balanced prices were in other parts of the US as well. In the Czech Republic, it was not possible to find a gender-balanced price for men and women in the capital of Prague, and not even in smaller towns.

The reason why there is a difference between these two markets may be that there have been many studies on the American market and America has been dealing with this issue since the 1990s. But on the Czech market, no one has dealt with this issue so far. People are not informed, so they do not put pressure on the vendor and the sellers do not see the reason for changing the price.

One possible problem in the US market may be that, for example, in New York City it is forbidden to charge men and women differently for the same haircut, but sometimes when the price list only publishes the price range of the haircut, it is possible that the man and woman will be charged differently, without anyone knowing it.

## 5.3 Products

One of the basic hypotheses says that in the US the pink tax has declined since 2015. The aim is therefore to compare the situation in New York City in 2015 with the current situation. Similar products as in the 2015 will be compared to make this comparison possible. Subsequently, similar products will be tested on the Czech market. And the resulting comparison will determine whether the pink tax exists in both markets and whether the markets differ from each other.

The category of personal care was selected because it was the category with the largest percentage difference in price between men and women.

*"Of all the industries analyzed, personal care had the highest premium for women, with products costing, on average, 13 percent more than personal care products for men. Because personal care products are purchased at a higher frequency than the other consumer goods included in this study, this 13 percent difference translates into a significant financial burden for women over the course of a lifetime. The largest price discrepancy was in hair care; products cost women 48 percent more. Razor cartridges were the second largest price discrepancy, at 11 percent more for women on average."*  
(Menin, 2015, pg. 11)

Based on this study from 2015, the same categories of personal care products were selected for this diploma thesis. Therefore average prices of shampoo, conditioner, razor, lotion, deodorant and shaving cream will be compared.

The table below shows average prices for a certain type of goods for a men or women, in dollars per a fluid ounce (fl. oz.) which is 29,5735 mililiters. In the case of razor, the price per unit is stated. A difference is then calculated and converted to a percentage. A resulting average difference between prices for the same goods for men and women in the category of personal care products is calculated as well.

Table 3: Average price, Personal Care, USA

<b>United States</b>	<b>Men's average</b>	<b>Women's average</b>	<b>Price difference</b>	<b>Percent difference</b>
Shampoo	0,414	0,426	0,012	<b>2,90 %</b>
Razor	0,911	1,097	0,186	<b>20,42 %</b>
Lotion	0,245	0,245	0	<b>0 %</b>
Deodorant	1,525	1,73	0,205	<b>13,44 %</b>
Shaving Cream	0,32	0,375	0,055	<b>17,19 %</b>
<b>Total</b>	<b>3,415</b>	<b>3,873</b>	<b>0,458</b>	<b>13,41 %</b>

Source: Own processing, field research

Data for the US market was mainly drawn from large stores such as Walmart, Target or Walgreens. It was not tested almost 800 products, as in the case of the 2015 study, but only a fraction to verify the current situation. The results of the current research seem to be similar to the results of the 2015 research. The overall result is also close to the average of 13 % difference between men's and women's products. But if we look at the individual categories, the results are a bit different. Now it seems that the biggest price gap is in the category of razors, but in 2015 the category of hair care (shampoo) appeared to be the most problematic. The category of lotions now appears to be zero, because no products have been found that would be priced differently for men and women, but in this category there was a difference of 11 % in 2015.

We can rebut the part of the hypothesis which says the pink tax on the US market has declined since 2015. The pink tax in the category of personal care products is on the American market similar to the year 2015.

Similar research has also been carried out on the Czech market. The same categories of goods were compared as in the US. It was an attempt to compare products of the same or similar brands as in the US market. On the Czech market, drugstores such as Teta or DM drugstore were visited and more than 50 pieces of goods were compared. Prices are given in Czech Crowns per 100 milliliters. In the case of razor, the price per unit is stated. A difference is then calculated and converted to a percentage in order to compare with the results from the United States.

Table 4: Average price, Personal Care, Czech Republic

<b>Czech Republic</b>	<b>Men's average</b>	<b>Women's average</b>	<b>Price difference</b>	<b>Percent difference</b>
Shampoo	23,51	24,31	0,8	<b>3,40 %</b>
Razor	13,07	14,72	1,65	<b>12,62 %</b>
Lotion	59,93	59,90	- 0,03	<b>- 0,05 %</b>
Deodorant	107,8	115,8	8,0	<b>7,42 %</b>
Shaving Cream	34,73	37,39	2,66	<b>7,66 %</b>
<b>Total</b>	239,04	252,12	13,08	<b>5,47 %</b>

Source: Own processing, field research

On the Czech market, the most similar variants of goods for women and men have always been compared. But occasionally, there was a case that there was still some even cheaper option for men but not for women - for example in the case of shaving creams. In this case, if the cheapest option for men with the cheapest option for women were compared, the difference would be even bigger. There was a problem in the category of body lotions because there was only one case of body lotion targeted to men. The lotion targeted to men existed here only for the Nivea brand and therefore the comparison is not entirely objective.

In stores, goods for men were always in different places than goods for women, therefore comparison was more difficult and not visible at first glance.

The biggest difference in price for the same product for men and women was on the Czech market, as well as on the American market, again in the category of razor blades. On the Czech market, the overall difference in the average price of goods for men and women rose to 5.47 %. It may seem that pink tax appears on the Czech market on a smaller scale than on the market in the United States. But it is necessary to realize that not all the compared brands were exactly the same, so the direct comparison is difficult. Essential information in this case is that differences in the price of products for men and women appear in both markets. Therefore, we can confirm the hypothesis that pink tax exists on both the Czech and American markets.

## 5.4 Opinions on The Pink Tax

Another of the basic hypothesis was established that people do not agree with the pink tax on both the Czech and American markets and that women disagree more than men. A questionnaire was used to verify this hypothesis. This questionnaire was called The Pink Tax Survey and it was distributed to a random sample of the population in the Czech Republic and the United States. They were asked whether they think that women should pay more than men for similar products. They had a choice of options strongly agree, agree, neither agree nor disagree, disagree and strongly disagree. Based on the hypothesis, it is assumed that the most frequent answer will be disagree or strongly disagree, and that this response will be more common for women and roughly equally common in both markets. The research question to which participants were asked to respond was set out as follows: *"I think women should pay more than men for similar products."*

Their views are shown in the tables below. First, the difference between the opinions of men and women and consequently the difference between the two markets is examined.

Table 5: Men vs. women - opinion

Evaluation	Men	Women	Total
Strongly agree	5	1	6
Agree	5	3	8
Neither agree nor disagree	14	9	23
Disagree	<b>22</b>	<b>26</b>	<b>48</b>
Strongly disagree	<b>27</b>	<b>36</b>	<b>63</b>
<b>Total</b>	75	75	148

Source: Own processing, The Pink Tax Survey

Out of a total number of 75 women, 26 responded that they disagree with the claim that women should pay for similar products more than men. 36 even replied that they strongly disagree with the statement. This means that a total of 82,67 % of women do not agree with the pink tax. The same number of men answered the questionnaire. And the result was that 22 men out of 75 disagreed with the claim that women should pay more than men for similar goods, and 27 men disagreed strongly. Which results in a total of 65,33 % of men disagreeing with the pink tax. But men were more likely to



have the opposite opinion - 13,33 % agree that women should pay more than men for similar products and 18,67 % do not care much about it. When comparing these two categories, it is obvious that the percentage of women opposed to the pink tax is noticeably higher. It leads to a result that confirms the part of the hypothesis which says more women than men disagree with pink tax.

Table 6: Czech vs. US market - opinion

Evaluation	Czech Republic	United States	Total
Strongly agree	3	3	6
Agree	6	2	8
Neither agree nor disagree	14	6	20
Disagree	<b>34</b>	<b>12</b>	<b>46</b>
Strongly disagree	<b>43</b>	<b>16</b>	<b>59</b>
<b>Total</b>	100	39	139

Source: Own processing, The Pink Tax Survey

The second part of this hypothesis was to evaluate whether people disagree with the pink tax on the Czech market as well as on the American market. From the previous table it can be seen that the situation is similar in both markets. On the Czech market, the claim that women should pay more than men for similar goods is strongly opposed or disagreed by 77 respondents out of a hundred, which makes 77 %. There is a total of 28 respondents out of 39, which is a total of 71,79 % of Americans in this questionnaire who disagreed or strongly opposed the claim.

As a result, it is possible to say that this hypothesis was confirmed. Most people disagree with the pink tax. There are 77 % of people on the Czech market and about 72 % of Americans who disagree or strongly disagree with the claim that women should pay more than men for similar products. At the same time there are more women than men who are against the tax. And men sometimes even have the opinion that the tax is fine and that women really should pay more for similar products than men.

# CONCLUSION

The aim of this thesis was to describe the issue of the pink tax and use questionnaire and a field research in both countries to answer the questions whether the pink tax occurs on the Czech market as well as on the US market and whether it has declined in the US since 2015 or not. Another goal was to find out the awareness of the pink tax and consumers attitude towards this issue.

In the first part of the thesis a theoretical context was described. For the context the basic marketing theories, marketing mix, product and its life cycle, BCG Matrix, product policy and product mix were explained. Even more important was the description of price, pricing policy and strategy, to understand how prices are created and how the companies are using them. Then price discrimination and its degrees have been described and it was found that tax pink belongs to third-degree price discrimination. This type of discrimination occurs when the buyers have different demand elasticities and are charged differently based on their visible differences as location, age or gender. Also, gender discrimination, including the pink tax, has been explained. There were listed possible justifications for the existence of the pink tax. And the studies that have previously addressed the issue why women pay more for similar products and services than men, were described in the end as a basis for subsequent research.

Three research hypotheses have been identified. The first part of the research included a questionnaire whose purpose was to confront customers' awareness of the pink tax issue, to find out their attitudes and the view of the existence of this problem. At the same time, find out their basic buying behavior and to see if there are differences between men and women because of the overall context. A goal was also to compare these results on the Czech and American markets. Following hypothesis has been identified: *"I suppose that more than 50 % of respondents will not have a clue what the pink tax is. And I assume that people are more informed in the US than in the Czech Republic."*

This hypothesis was confirmed in both parts. There was a difference between the Czech Republic and the United States. 64 % of Czechs answered that they had never heard of the tax before but Americans who had not heard about it before were 56,41%. That makes a difference of 7,69 %. In both countries, it is still more than 50 % of respondents who did not know about the pink tax before. Also, men who have not heard about the tax were more than women, as could be expected.

Thanks to the questionnaire, another hypothesis was also confirmed. This hypothesis was established that people do not agree with the pink tax on both the Czech and American markets and that women disagree more than men. It was found that most of the people actually disagree with the pink tax. There are 77 % of respondents on the Czech market and about 72 % of Americans who disagree or strongly disagree with the claim that women should pay more than men for similar products. At the same time there are more women than men who are against the tax.

The second part of the research was focused on field research directly in stores. This part of the research was conducted to find the answer to the last hypothesis that was: *"I assume that the pink tax exists in Czech Republic as well as in the United States of America. It occurs in goods as well as in services, and I suppose that it has declined in the US since 2015."*

To verify whether the pink tax exists in services, research in hairdressers was conducted. The hairdressing industry has been selected because it is known that the tax had previously appeared there and the studies that have served as the basis for this research have already been developed in the hairdressing industry. The research has confirmed the hypothesis that the pink tax exists in services as well. And not in a small amount - especially on the Czech market where the average difference in price for a haircut was 337 CZK which is an average percentage difference of 98 %. Which means that women for basic hair cuts pay nearly twice as much as men. The situation in the United States appeared to be better because the mean price difference was 3,40 USD which is an average percentage difference of only 8 %. But the hairdressers which showed a zero difference between prices for men and women were mostly in New York City where already passed a law prohibiting gender-based pricing of services in 1998.

To evaluate the rest of the hypothesis, a comparison of products from the personal care category on both markets was chosen. The category of personal care was selected based on this study from 2015, it was the category with the largest percentage difference in price between men and women (up to 13 %). The part of the hypothesis that says the pink tax on the US market has declined since 2015 was disproved. The pink tax in the personal care product category is in 2018 similar to the pink tax on the US market in 2015.

Similar research has also been carried out on the Czech market. The same categories of goods were compared as in the US. And the existence of the pink tax on the Czech

market has been confirmed. The overall difference in the average price of goods for men and women rose here to 5,47 % in the personal care product category.

As a result, it is possible to say that research has been successful. It was confirmed that more than 50 % of respondents have no clue what the pink tax is. And that people are more informed in the US than in the Czech Republic. It was also confirmed that the pink tax exists in Czech Republic as well as in the United States of America. It occurs in goods as well as in services, but it was refuted that it has declined in the US since 2015. It has been confirmed that people do not agree with the pink tax. Similarly on the Czech and American market but women disagree more than men.

Another aim of this thesis was to inform about the pink tax. Because when women are aware of this problem, it can help them with purchasing decisions and the pink tax can be gradually eliminated and the disadvantageous position of a woman on the market can be improved. I believe that this goal has also been met.

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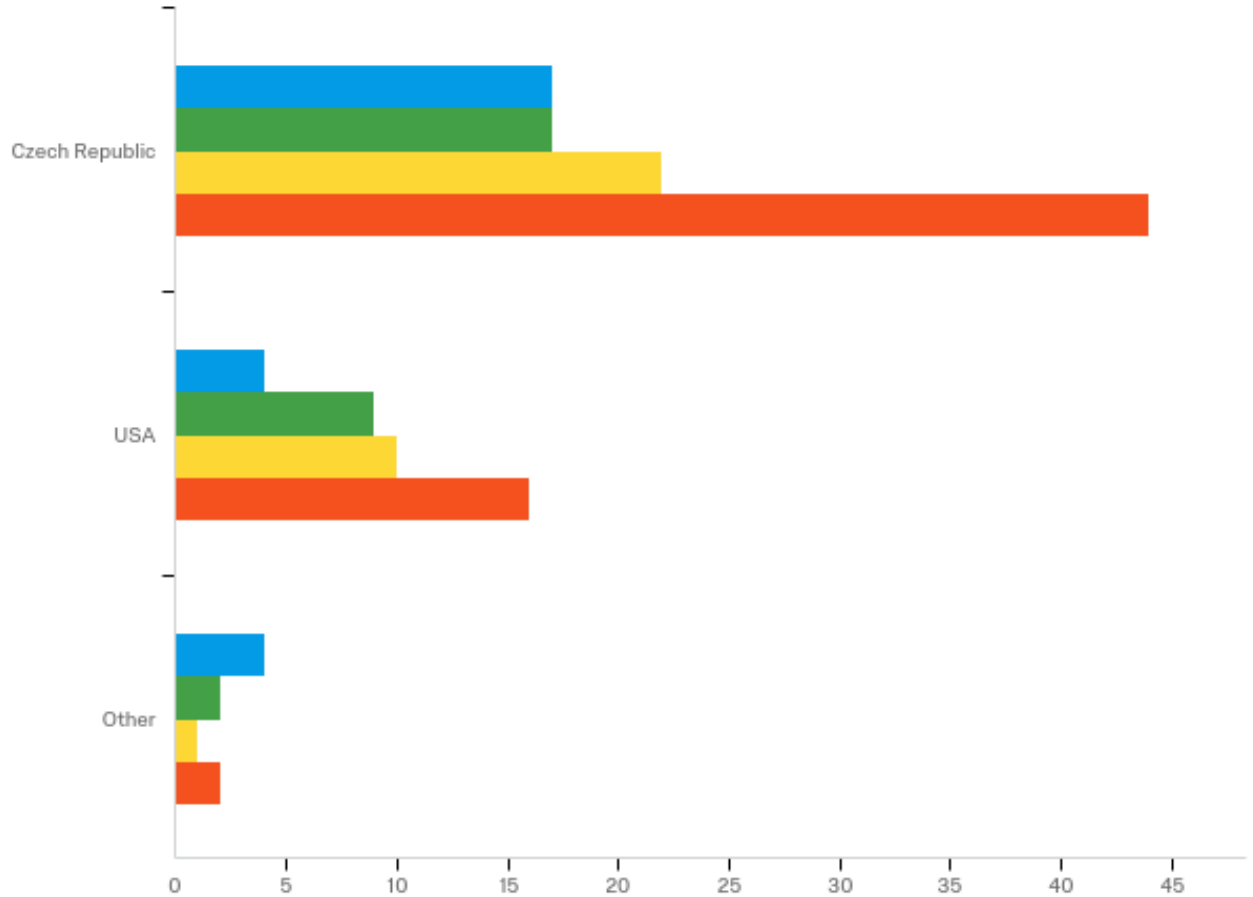
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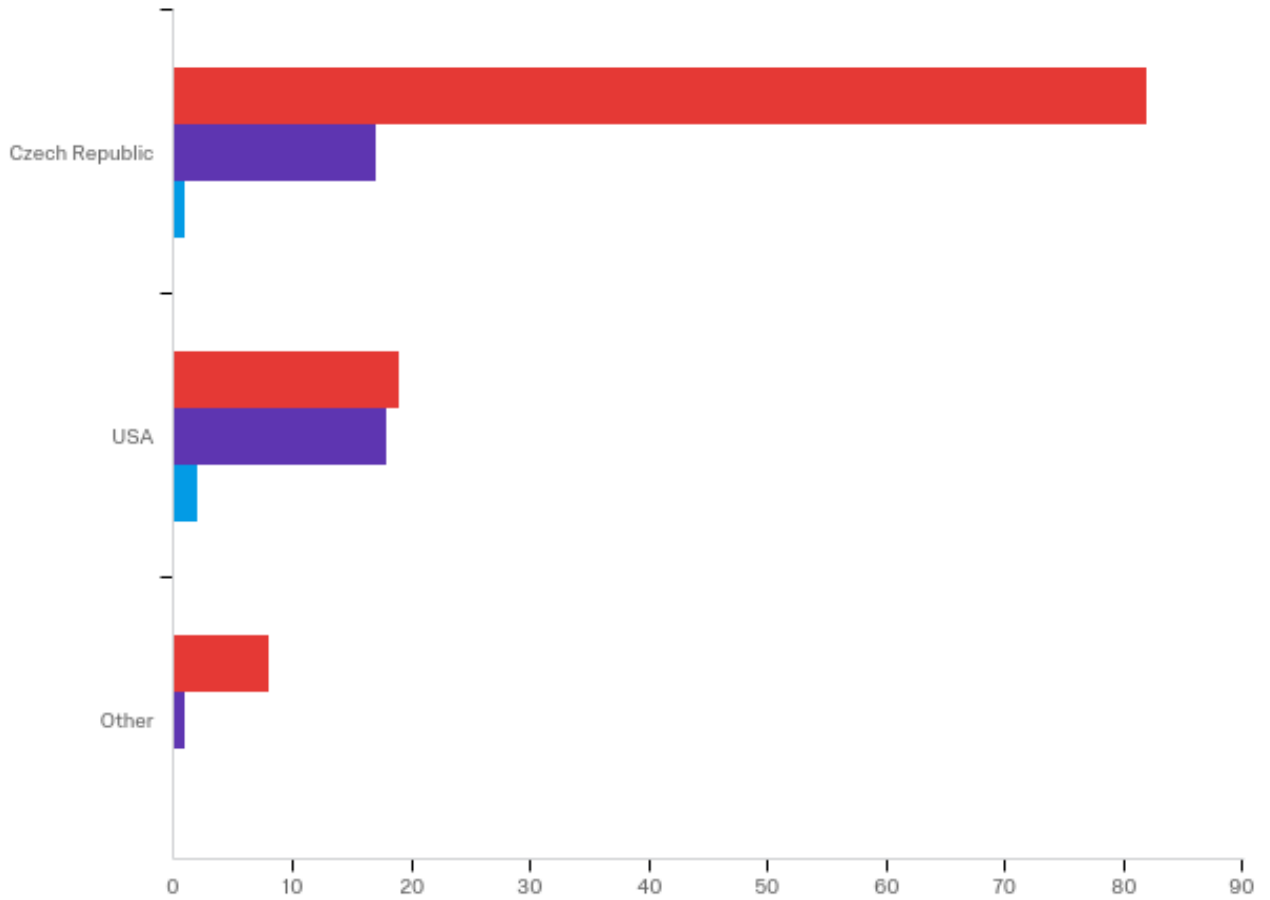
# Appendix 1 - The Pink Tax Survey

Q1 - How often do you shop per month?



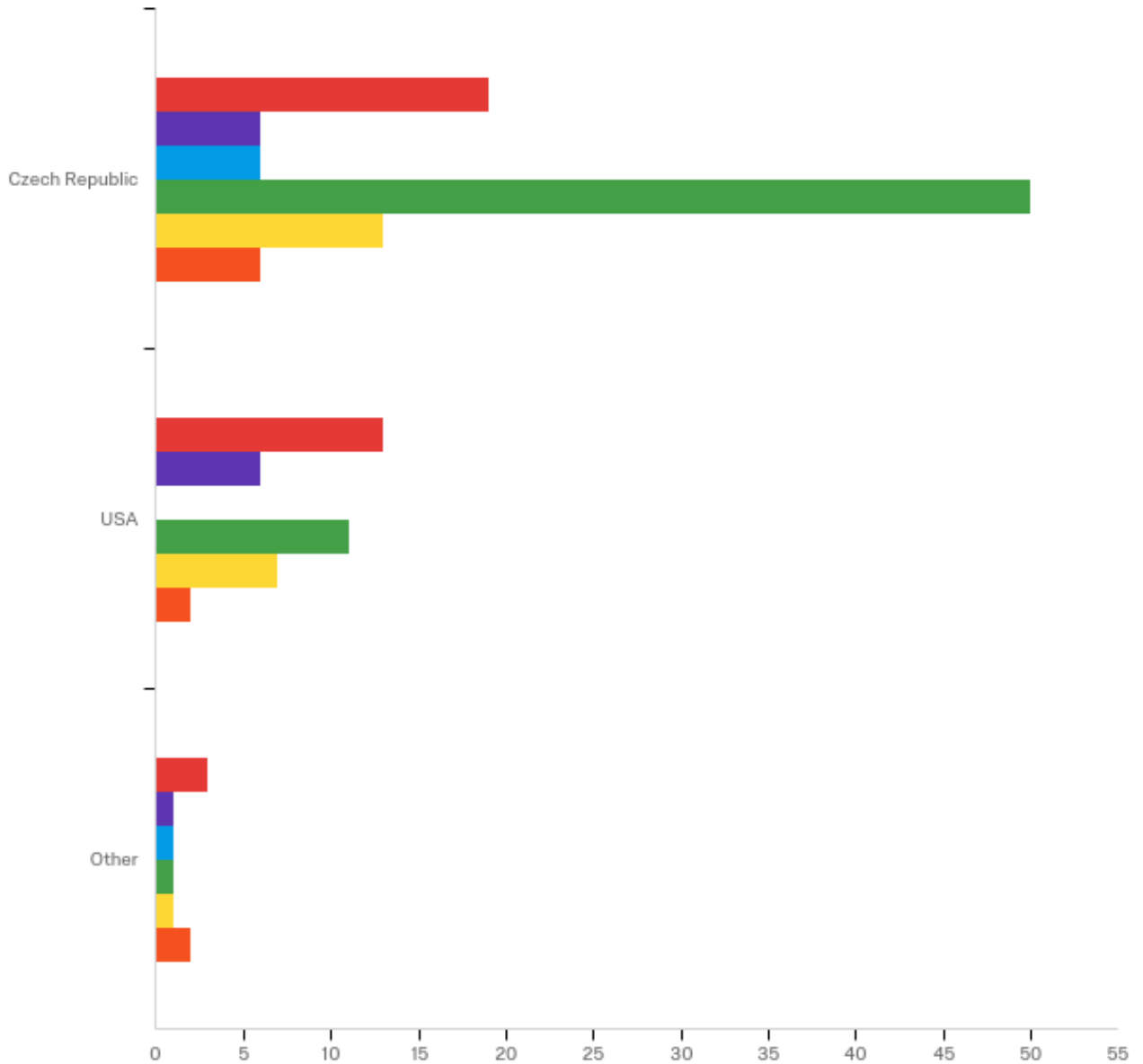
#	Question	Czech Republic		USA		Other		Total
1	Once	68.00%	17	16.00%	4	16.00%	4	25
2	Twice	60.71%	17	32.14%	9	7.14%	2	28
3	3 - 5 times	66.67%	22	30.30%	10	3.03%	1	33
4	More than 5 times	70.97%	44	25.81%	16	3.23%	2	62

Q2 - Where do you do most of your shopping?



#	Question	Czech Republic		USA		Other		Total
1	In stores	75.23%	82	17.43%	19	7.34%	8	109
2	Online	47.22%	17	50.00%	18	2.78%	1	36
3	Mobile	33.33%	1	66.67%	2	0.00%	0	3

Q3 - What is for you the most important purchasing factor when buying clothes?



#	Question	Czech Republic		USA		Other		Total
1	Price	54.29%	19	37.14%	13	8.57%	3	35
2	Brand	46.15%	6	46.15%	6	7.69%	1	13
3	Functionality	85.71%	6	0.00%	0	14.29%	1	7
4	Fit	80.65%	50	17.74%	11	1.61%	1	62
5	Quality	61.90%	13	33.33%	7	4.76%	1	21
6	Other	60.00%	6	20.00%	2	20.00%	2	10

Other - Czech Republic

Other - Text

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beauty, duh

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design

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all of this

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Design

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If its what I need

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References

Other - USA

Other - Text

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combination of all

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If I look less fat in it

Other - Other

Other - Text

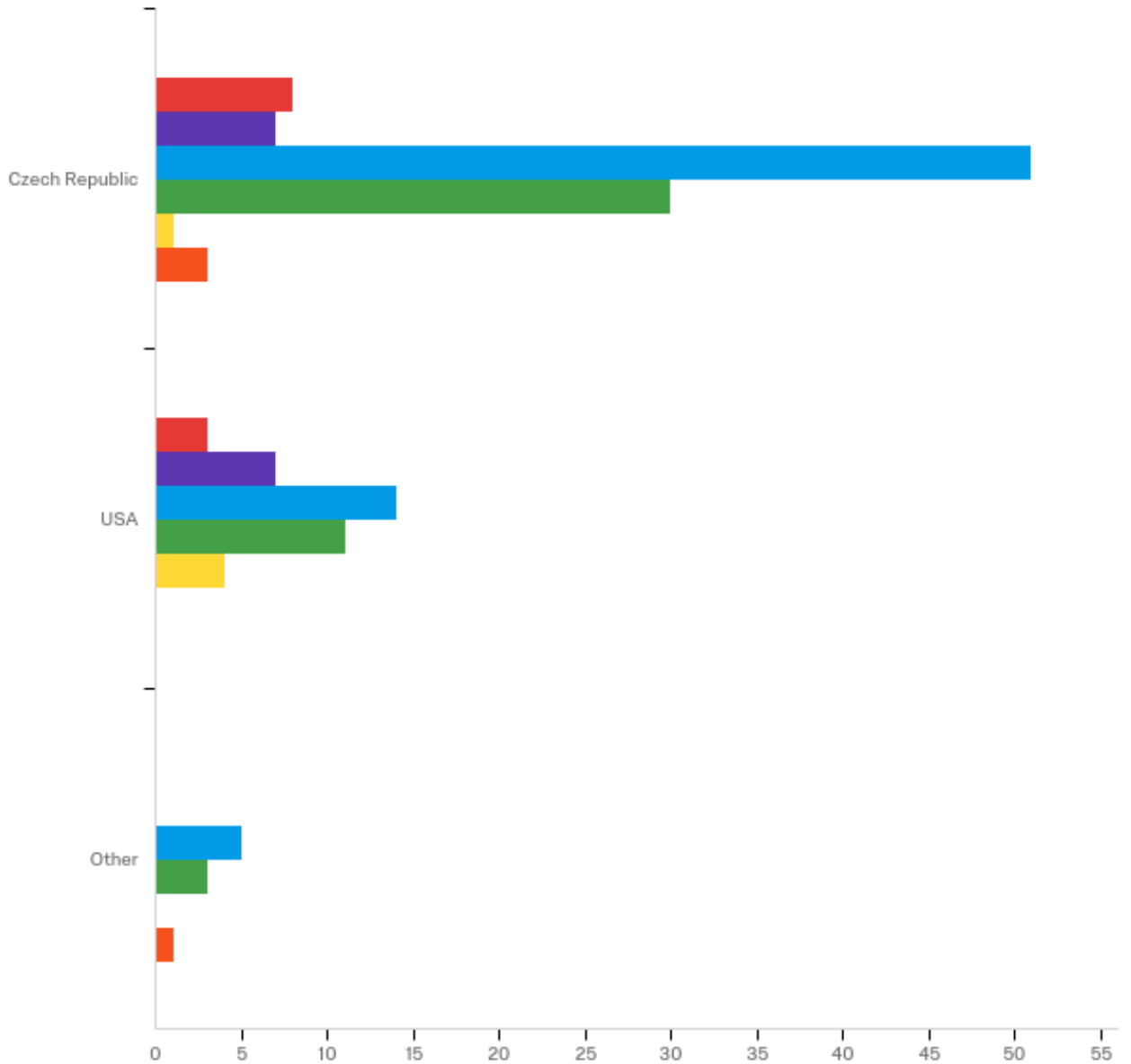
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Value=quality for cost

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ako je to hezucke a pak cena

Q4 - What is for you the most important purchasing factor when buying electronics?



#	Question	Czech Republic		USA		Other		Total
1	Price	72.73%	8	27.27%	3	0.00%	0	11
2	Brand	50.00%	7	50.00%	7	0.00%	0	14
3	Functionality	72.86%	51	20.00%	14	7.14%	5	70
4	Quality	68.18%	30	25.00%	11	6.82%	3	44
5	Design	20.00%	1	80.00%	4	0.00%	0	5
6	Other	75.00%	3	0.00%	0	25.00%	1	4

Other - Czech Republic

Other - Text

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brand, quality, functionality

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Value

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References

Other - Other

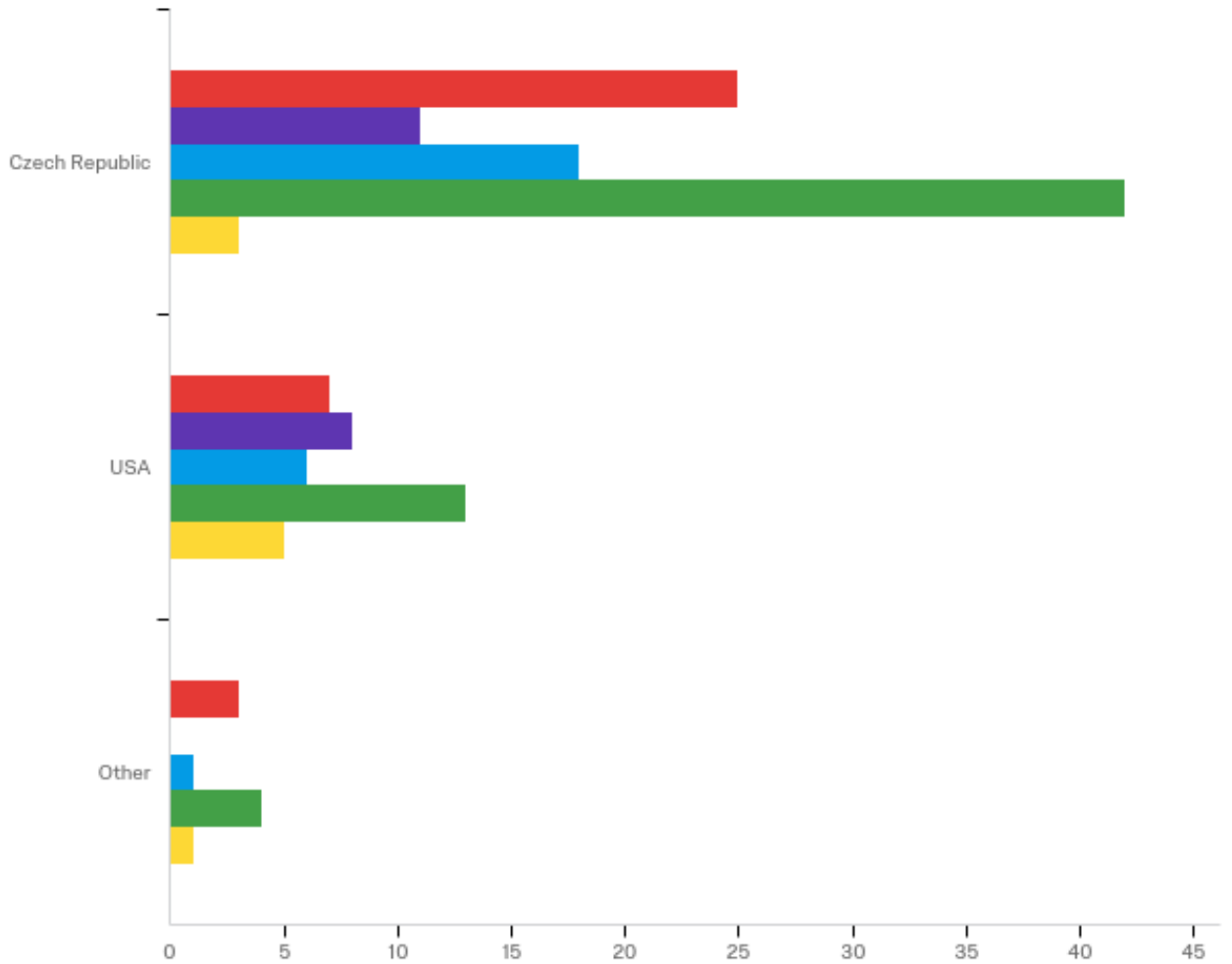
Other - Text

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Value=quality for cost



Q5 - What is for you the most important purchasing factor when buying cosmetics?



#	Question	Czech Republic		USA		Other		Total
1	Price	71.43%	25	20.00%	7	8.57%	3	35
2	Brand	57.89%	11	42.11%	8	0.00%	0	19
3	Functionality	72.00%	18	24.00%	6	4.00%	1	25
4	Quality	71.19%	42	22.03%	13	6.78%	4	59
5	Other	33.33%	3	55.56%	5	11.11%	1	9

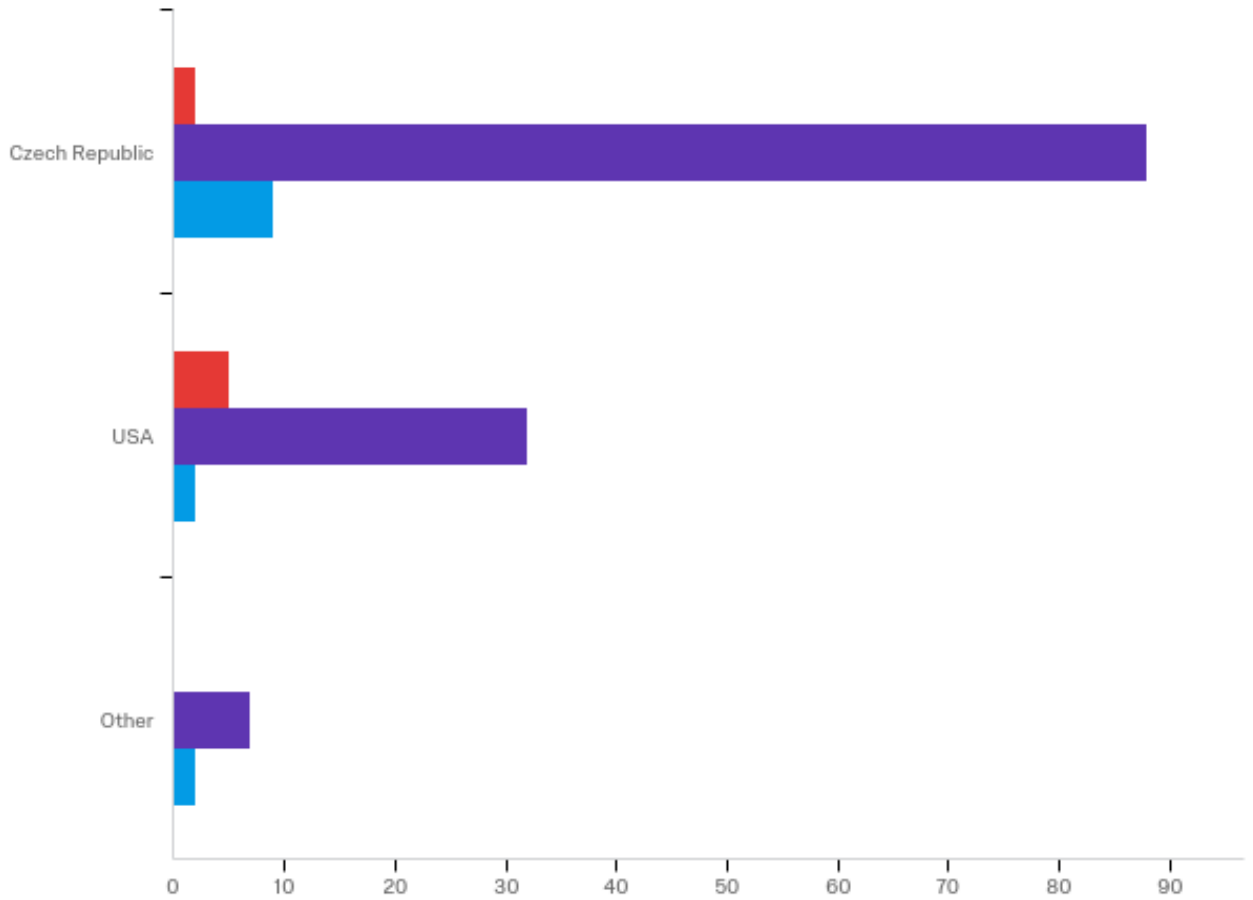
Other

The factors my gf see important, I dont buy cosmetics

eco-sustainability

not tested on animals, vegan

Q6 - The term "pink tax" means which of the following?



#	Question	Czech Re- public		USA		Other		To- tal
1	Tax discount for students who were working part-time last year	28.57%	2	71.43%	5	0.00%	0	7
2	When women have to pay more than men for a similar product	69.29%	88	25.20%	32	5.51%	7	127
3	Other	69.23%	9	15.38%	2	15.38%	2	13

Other

Other - Text

never heard of it

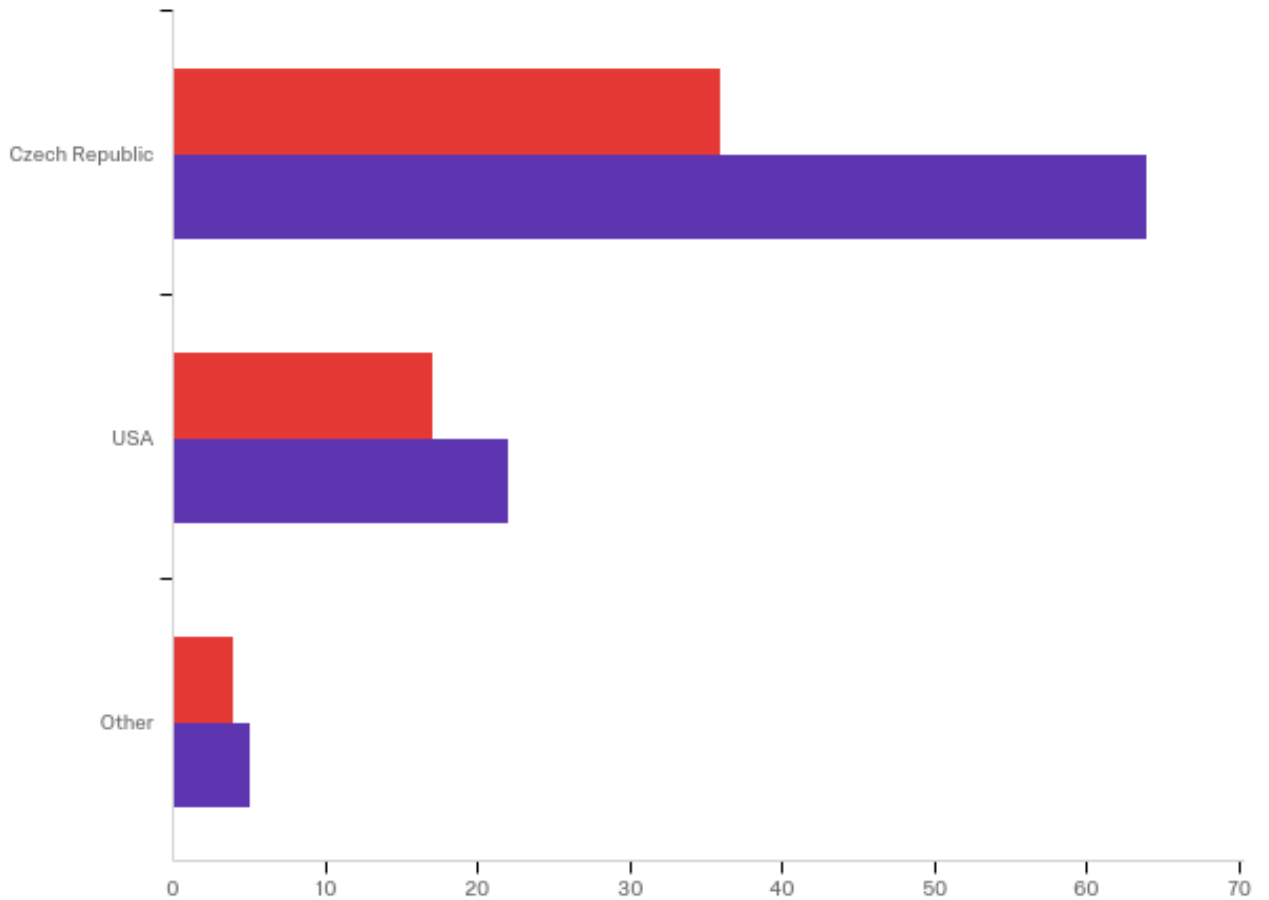
Don't know

Its first time i see term "pink tax"

I have no idea

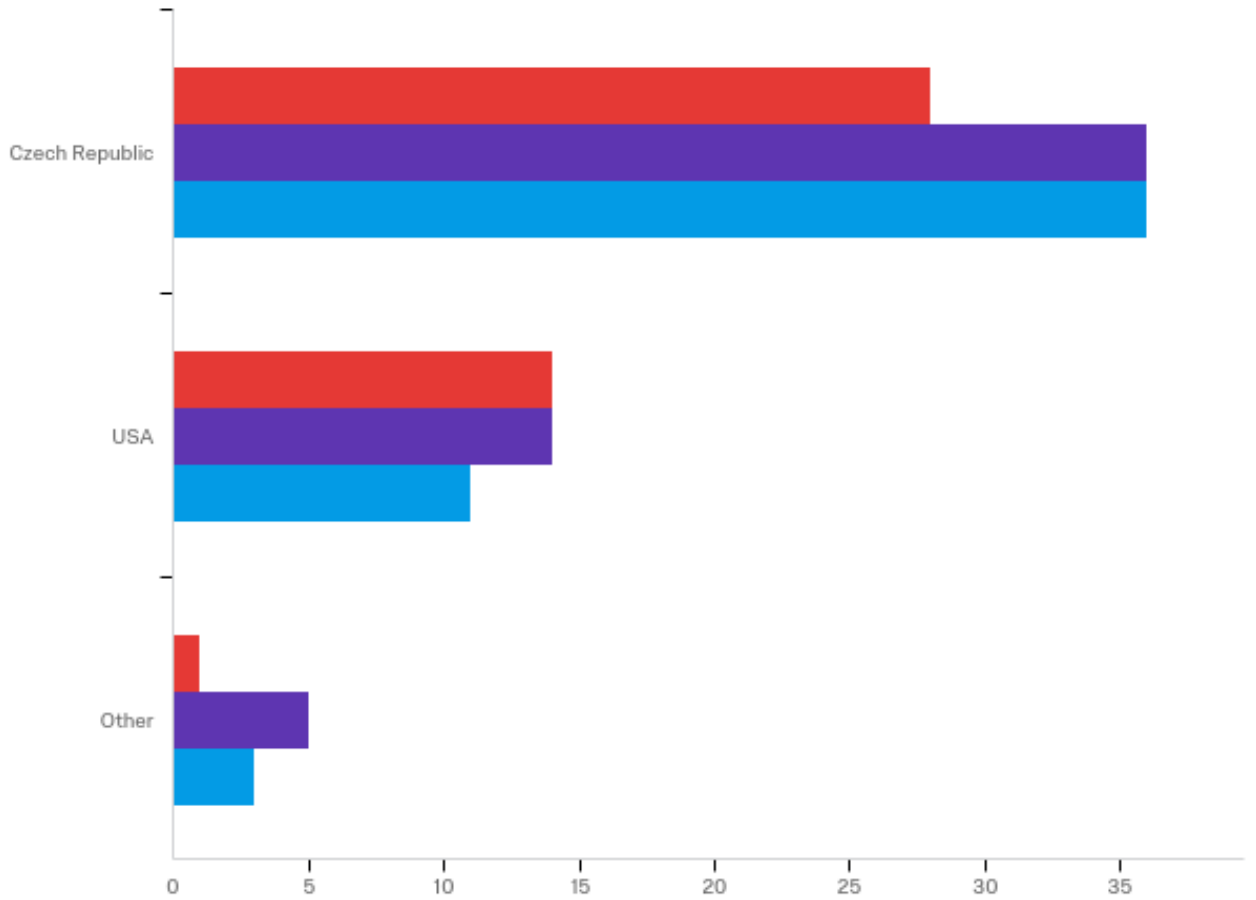
I am a men. So I do not know.

Q7 - The pink tax is an extra amount of money women have to pay for essentially the same products that men pay less for. Some of the items are small things such as razors, deodorants or shampoo but there are larger expenses like dry cleaning or haircuts for example. It is named "The Pink Tax" because of the color of products directly marketed to girls and women. Have you ever heard about the pink tax before?



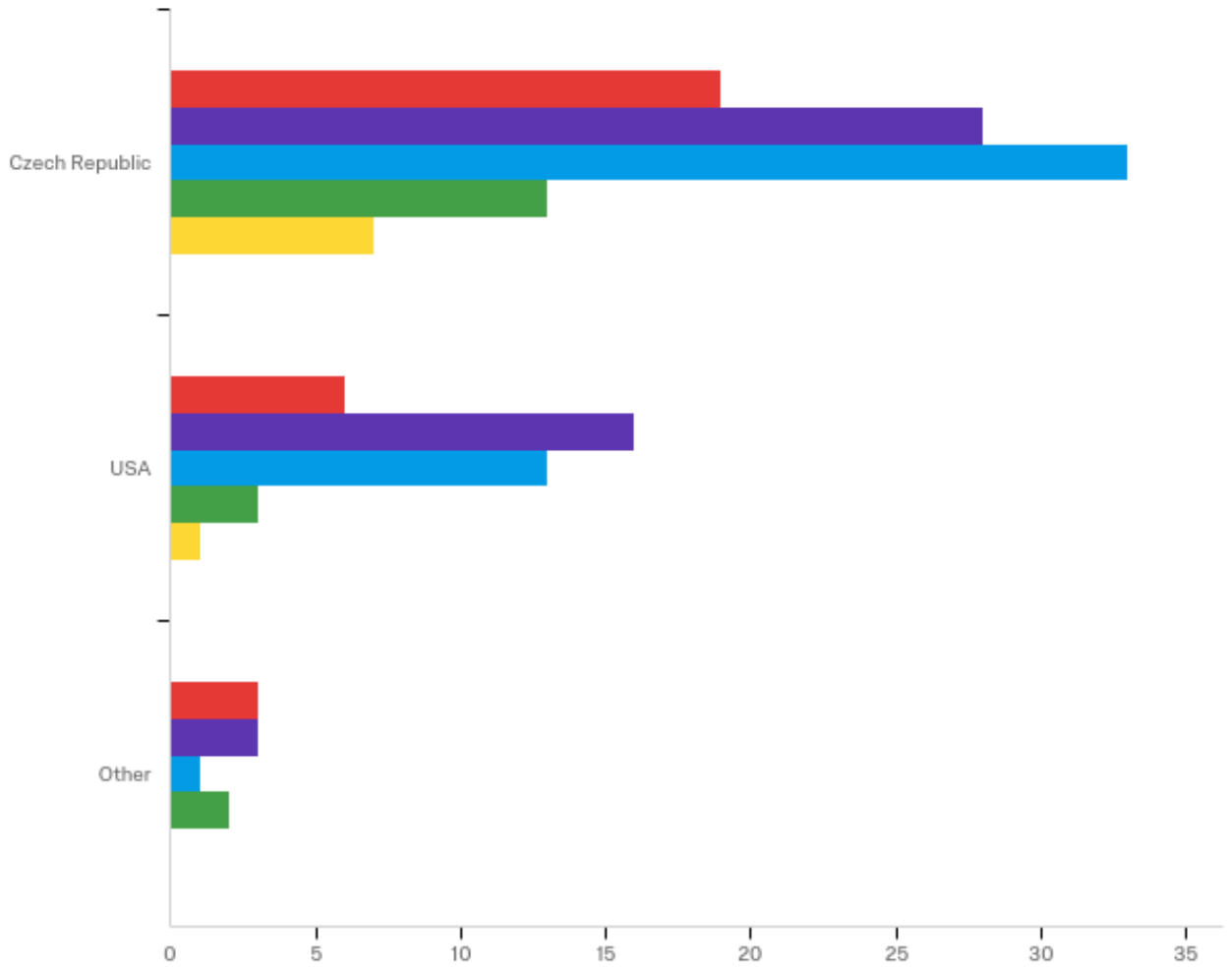
#	Question	Czech Republic		USA		Other		Total
1	Yes	63.16%	36	29.82%	17	7.02%	4	57
2	No	70.33%	64	24.18%	22	5.49%	5	91

Q8 - Have you ever paid the pink tax personally?



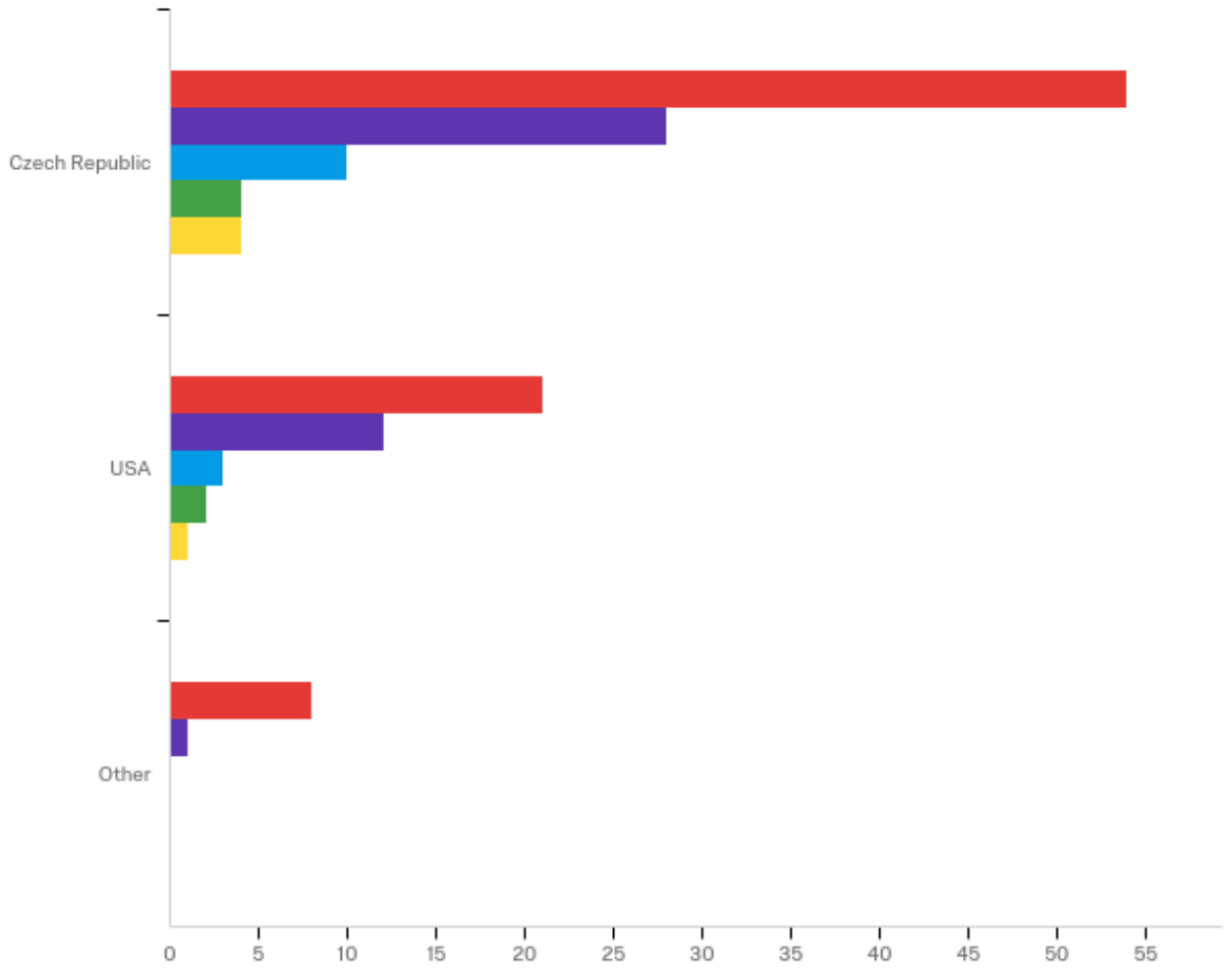
#	Question	Czech Republic		USA		Other		Total
1	Yes	65.12%	28	32.56%	14	2.33%	1	43
2	No	65.45%	36	25.45%	14	9.09%	5	55
3	I am not sure	72.00%	36	22.00%	11	6.00%	3	50

Q9 - Do you compare prices of similar products when buying clothes?



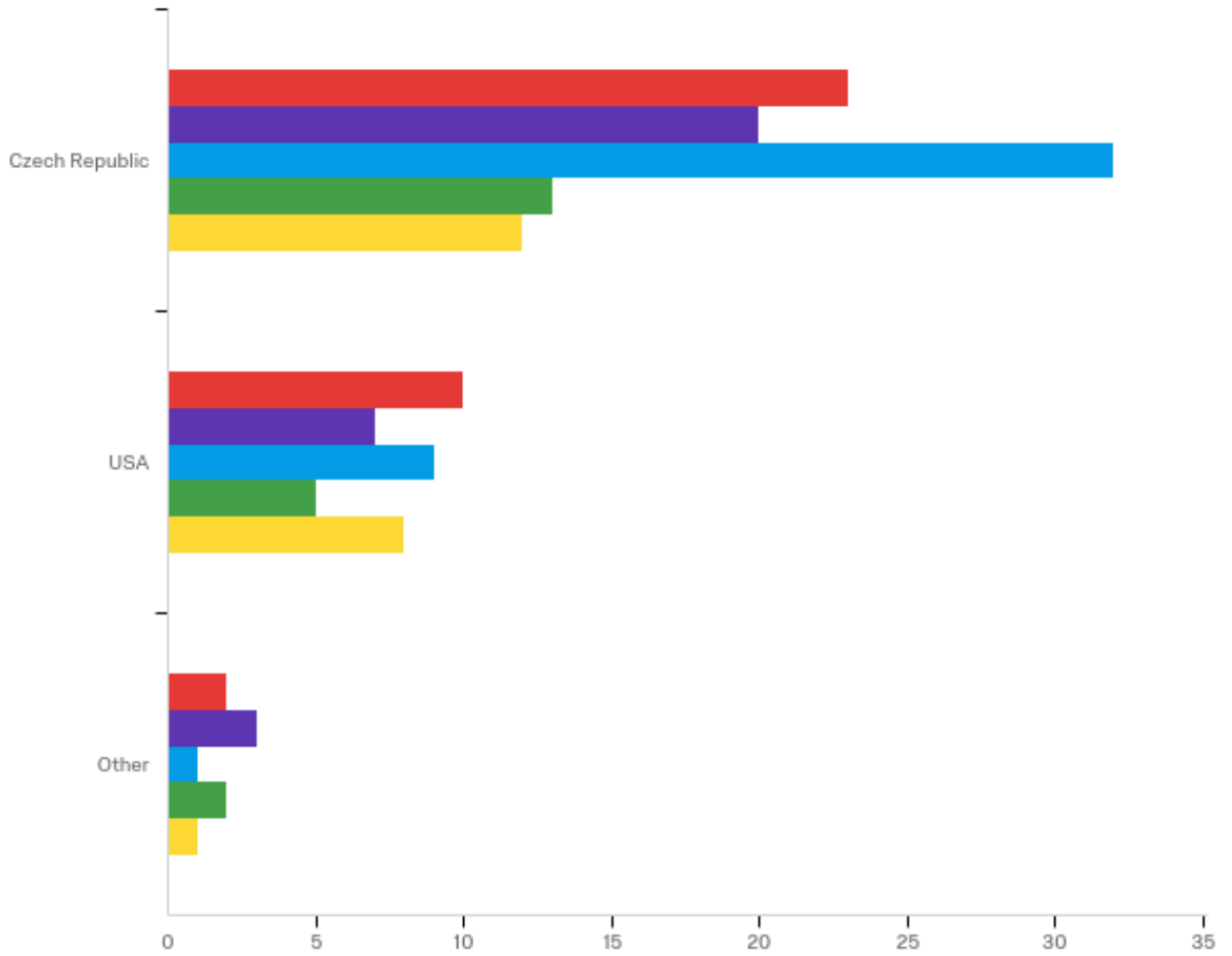
#	Question	Czech Republic		USA		Other		Total
1	Very often	67.86%	19	21.43%	6	10.71%	3	28
2	Often	59.57%	28	34.04%	16	6.38%	3	47
3	Sometimes	70.21%	33	27.66%	13	2.13%	1	47
4	Rarely	72.22%	13	16.67%	3	11.11%	2	18
5	Never	87.50%	7	12.50%	1	0.00%	0	8

Q10 - Do you compare prices of similar products when buying electronics?



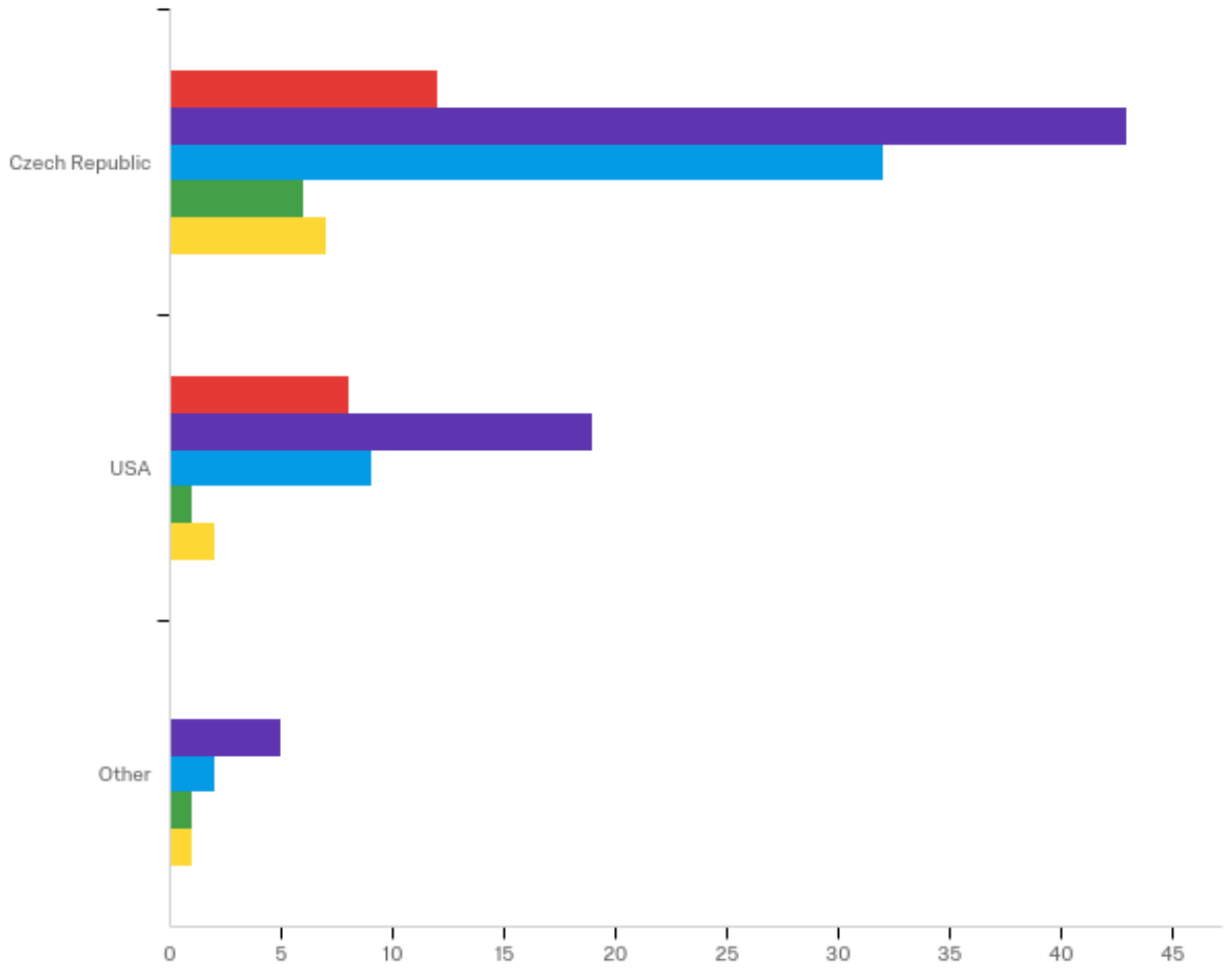
#	Question	Czech Republic		USA		Other		Total
1	Very often	65.06%	54	25.30%	21	9.64%	8	83
2	Often	68.29%	28	29.27%	12	2.44%	1	41
3	Sometimes	76.92%	10	23.08%	3	0.00%	0	13
4	Rarely	66.67%	4	33.33%	2	0.00%	0	6
5	Never	80.00%	4	20.00%	1	0.00%	0	5

Q11 - Do you compare prices of similar products when buying cosmetics?



#	Question	Czech Republic		USA		Other		Total
1	Very often	65.71%	23	28.57%	10	5.71%	2	35
2	Often	66.67%	20	23.33%	7	10.00%	3	30
3	Sometimes	76.19%	32	21.43%	9	2.38%	1	42
4	Rarely	65.00%	13	25.00%	5	10.00%	2	20
5	Never	57.14%	12	38.10%	8	4.76%	1	21

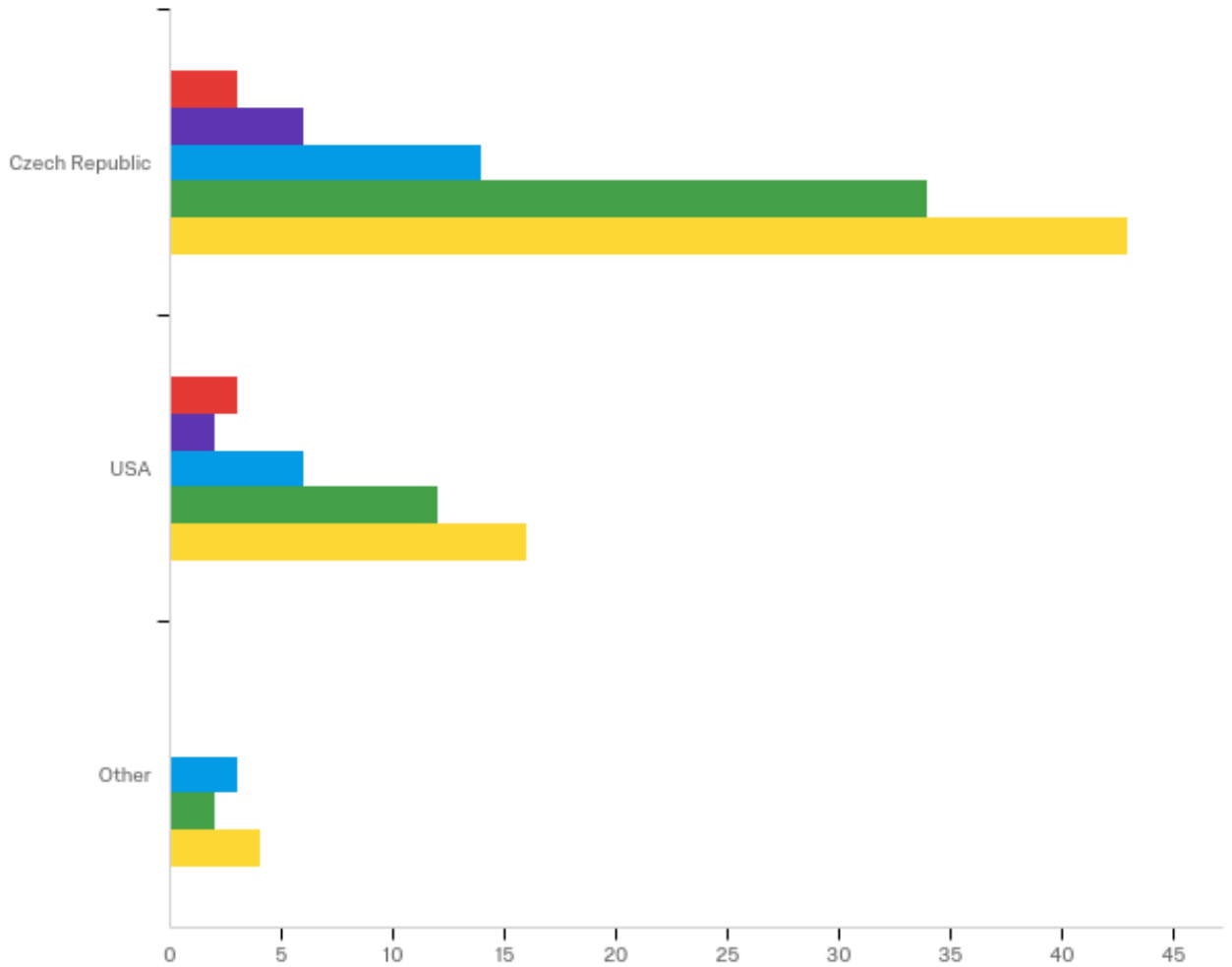
Q12 - I think women pay more for similar products (such as razors) than man.



#	Question	Czech Republic	USA	Other	Total
1	Strongly agree	60.00%	12 40.00%	8 0.00%	0 20
2	Agree	64.18%	43 28.36%	19 7.46%	5 67
3	Neither agree nor disagree	74.42%	32 20.93%	9 4.65%	2 43
4	Disagree	75.00%	6 12.50%	1 12.50%	1 8
5	Strongly disagree	70.00%	7 20.00%	2 10.00%	1 10

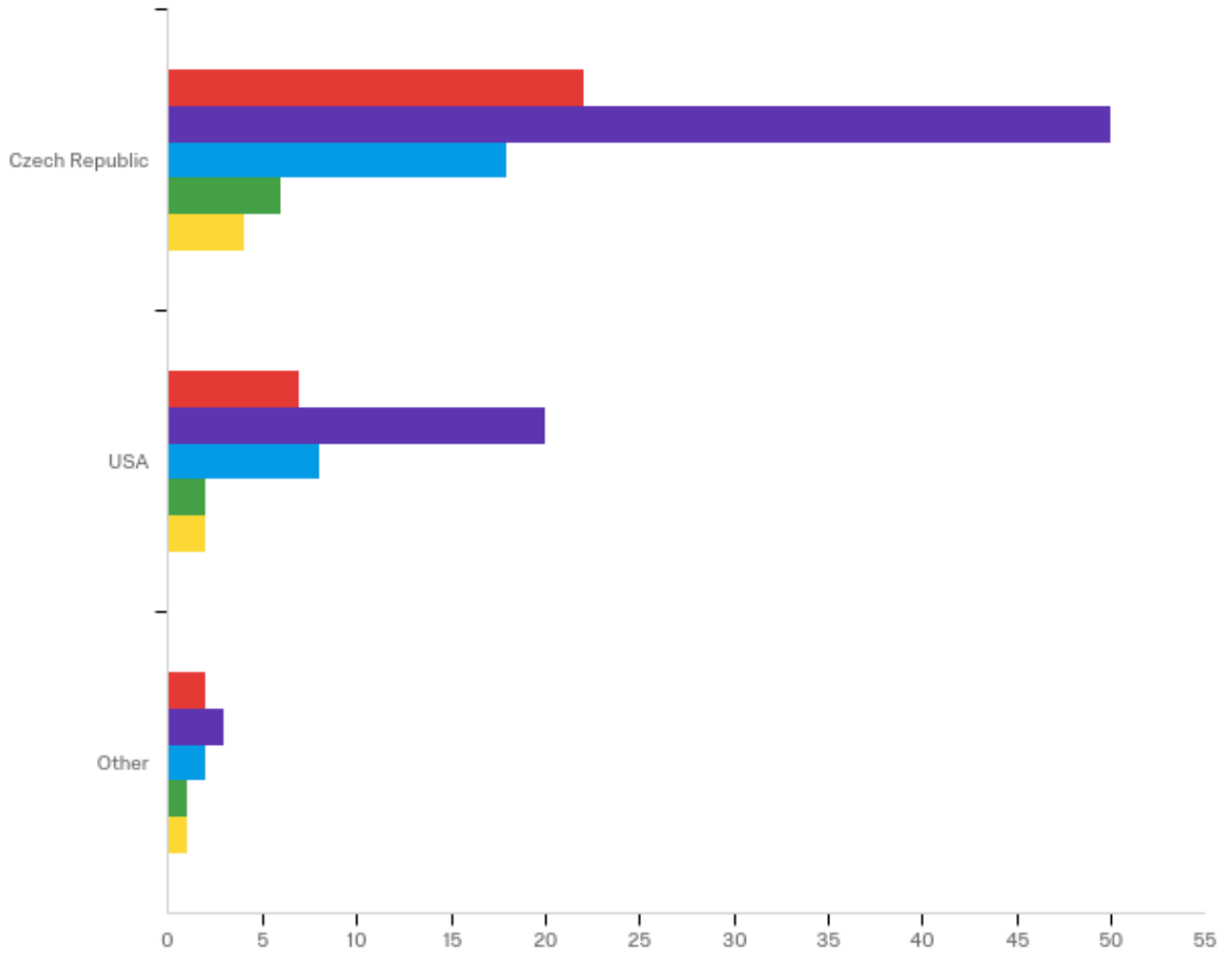


Q14 - I think women should pay more than men for similar products.



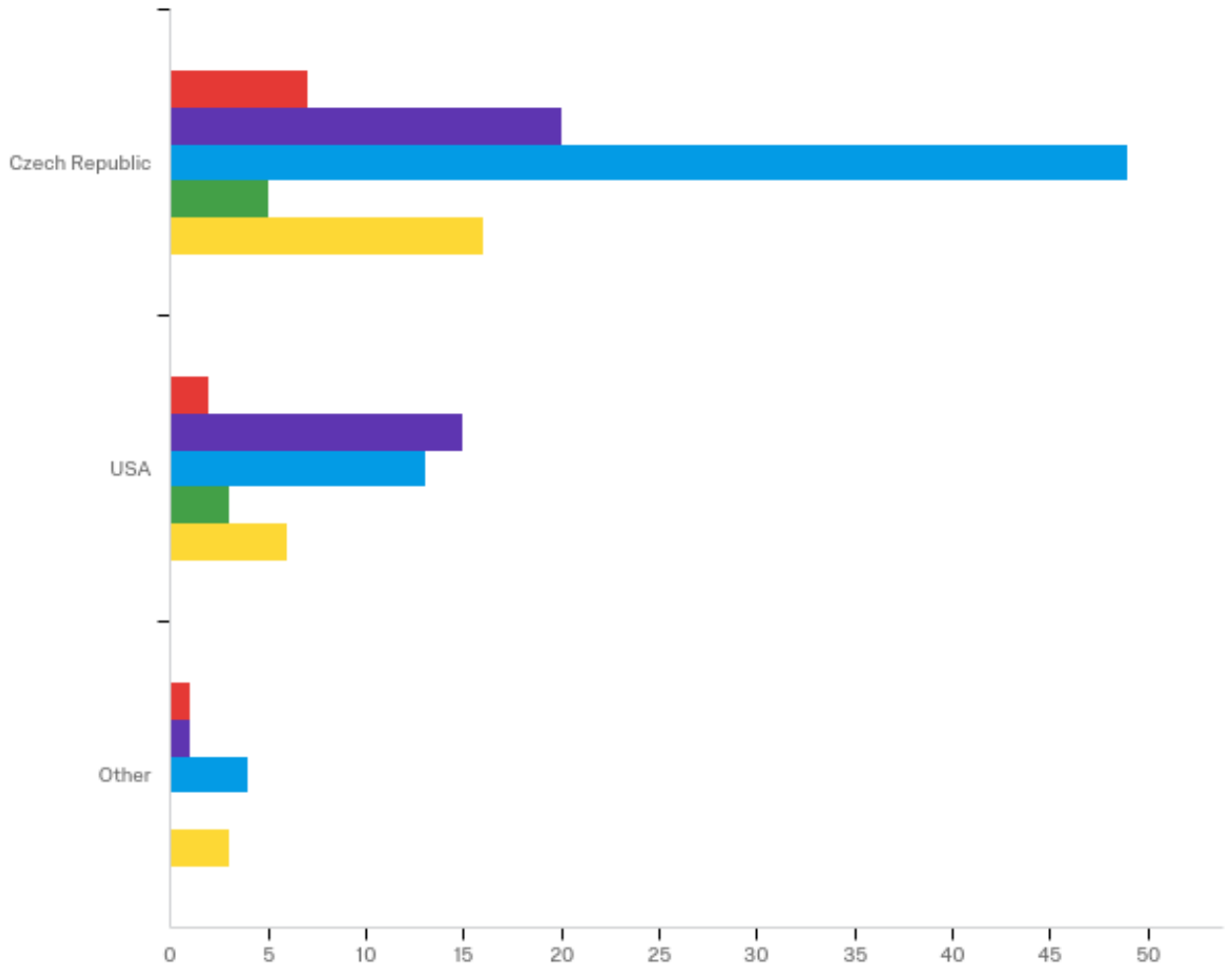
#	Question	Czech Republic		USA		Other		Total
1	Strongly agree	50.00%	3	50.00%	3	0.00%	0	6
2	Agree	75.00%	6	25.00%	2	0.00%	0	8
3	Neither agree nor disagree	60.87%	14	26.09%	6	13.04%	3	23
4	Disagree	70.83%	34	25.00%	12	4.17%	2	48
5	Strongly disagree	68.25%	43	25.40%	16	6.35%	4	63

Q16 - I think people should be more informed about the pink tax.



#	Question	Czech Republic	USA	Other	Total
1	Strongly agree	70.97%	22 22.58%	7 6.45%	2 31
2	Agree	68.49%	50 27.40%	20 4.11%	3 73
3	Neither agree nor disagree	64.29%	18 28.57%	8 7.14%	2 28
4	Disagree	66.67%	6 22.22%	2 11.11%	1 9
5	Strongly disagree	57.14%	4 28.57%	2 14.29%	1 7

Q17 - The reason for the pink tax is:



#	Question	Czech Republic		USA		Other		Total
1	Tariffs (higher tax rate for women's clothes)	70.00%	7	20.00%	2	10.00%	1	10
2	Product differentiation (smaller amount of the pink variation of product = higher price)	55.56%	20	41.67%	15	2.78%	1	36
3	Price discrimination (men wouldn't buy it for the higher price)	74.24%	49	19.70%	13	6.06%	4	66
4	Price fixing (government intervention for not fully competitive markets)	62.50%	5	37.50%	3	0.00%	0	8
5	Other	64.00%	16	24.00%	6	12.00%	3	25

Q17\_5\_TEXT - Other - Czech Republic

Other - Text

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There is no pink tax

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Women's products are different.

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women care more about buying pretty stuff and thats something u have to pay for  
idk

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marketing target-women care about the color match, "ladies design" etc.

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Companies know that womans buy it for higher prices so they sell it for more. Its not discrimination or something... its business... If somebody is selling car in black and in grey and they knew that young boy with money go rather for black one... they would sell it for more money.

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no idea

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Market forces

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women shop more, its the opportunity to earn more

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demand

Q17\_5\_TEXT - Other - USA

Other - Text

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idk

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They aren't the same products. Women's products have different features that may make them more expensive

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b), c) and e)

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Discrimination against women!

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Price discrimination, usually on products that females care more about than males

Q17\_5\_TEXT - Other - Other

Other - Text

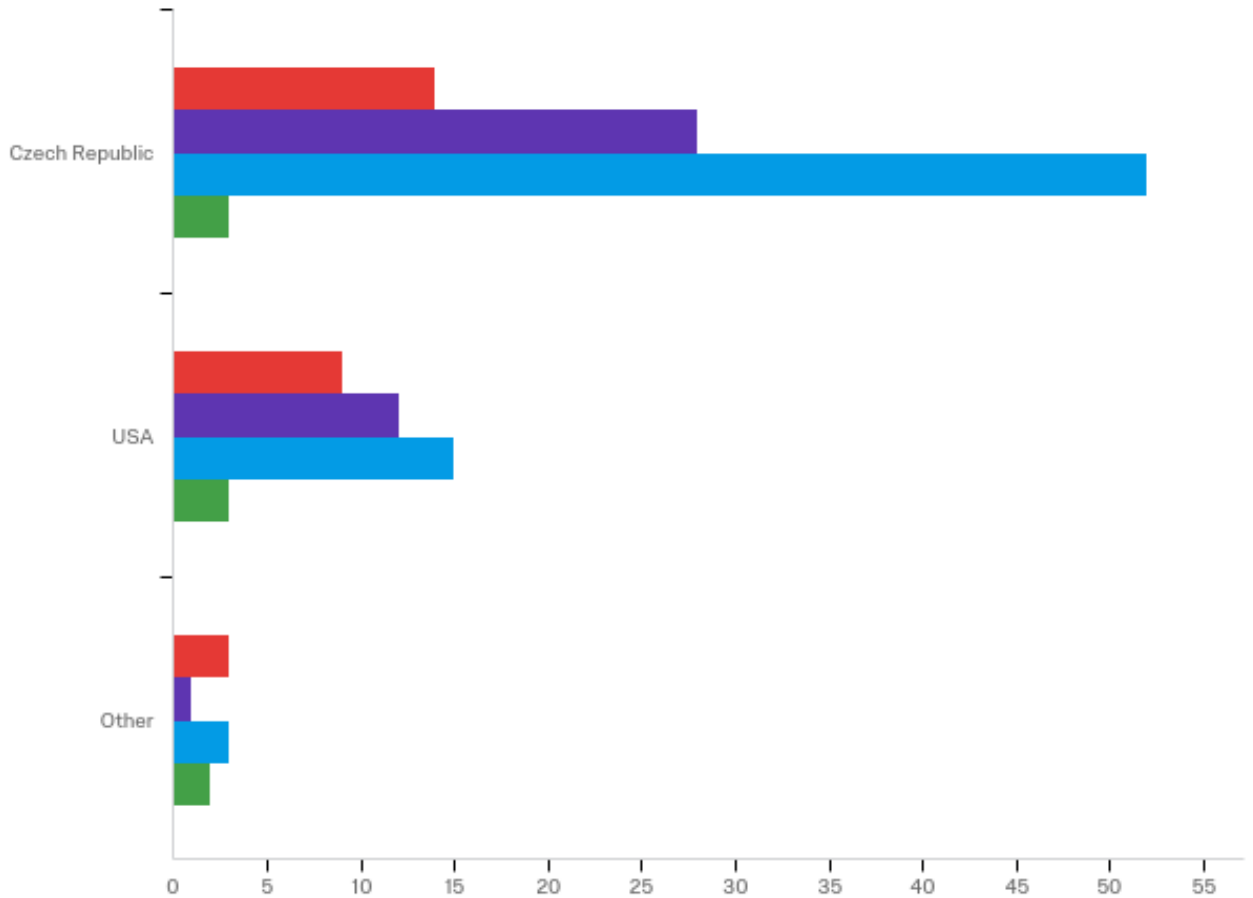
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Stupid buyers

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marketing - girls don't mind to buy more expensive product just because of the color.. So why wouldn't merchant raise the price

Q18 - Prices should be set:



#	Question	Czech Re- public	USA	Other	To- tal
1	According to the production price of the goods	53.85%	34.62%	11.54%	26
2	At a point where people are still willing to buy	68.29%	29.27%	2.44%	41
3	Based on quality of the product	74.29%	21.43%	4.29%	70
4	Other	37.50%	37.50%	25.00%	8

Other - Czech Republic

Other - Text

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in capitalism: however supplier sees fit, market demand will correct the price

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It should include all factors mentioned above

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Other - USA

Other - Text

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based on supply and demand

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However the manufacturer wants, It wont get sold if its too high

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Based on the demand for that particular good

Other - Other

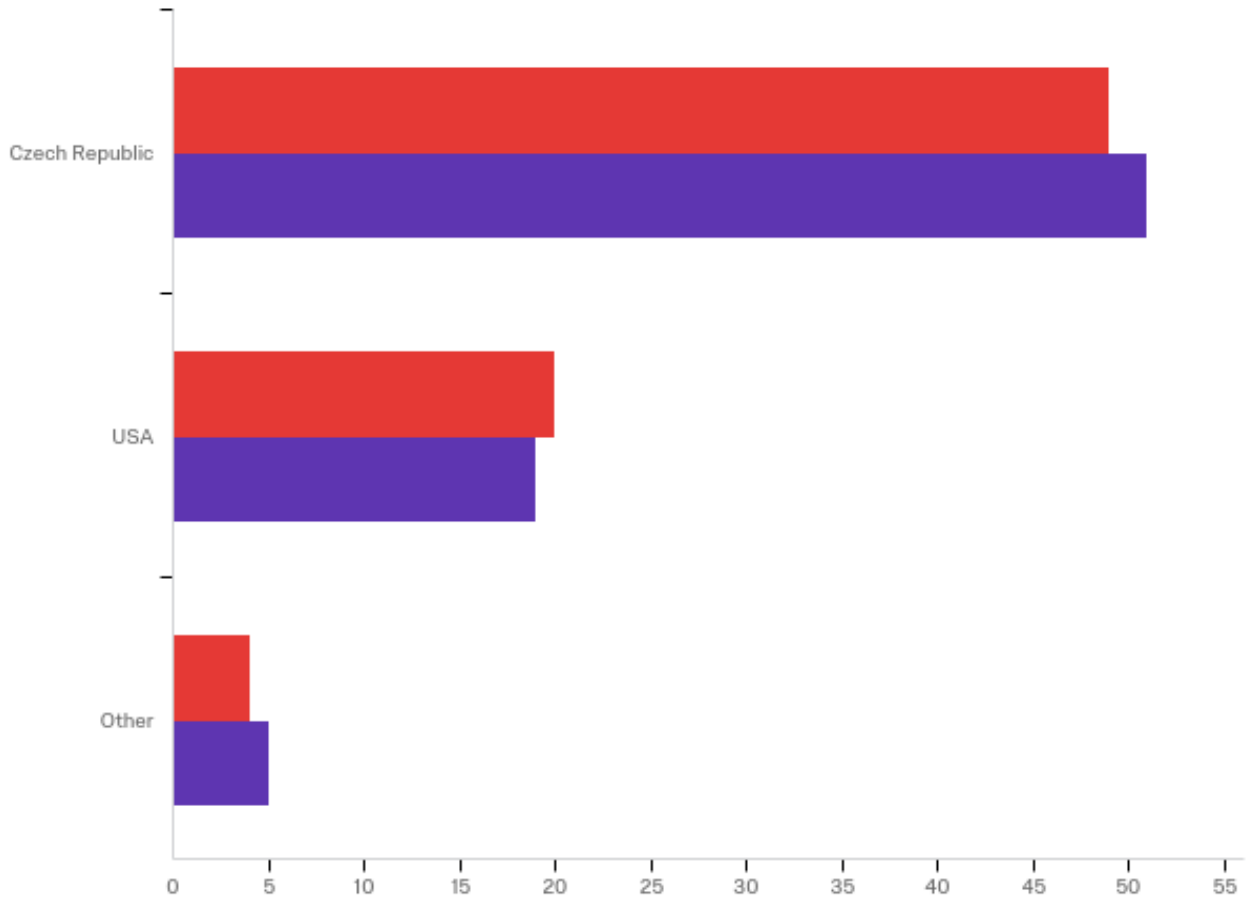
Other - Text

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by capitalism

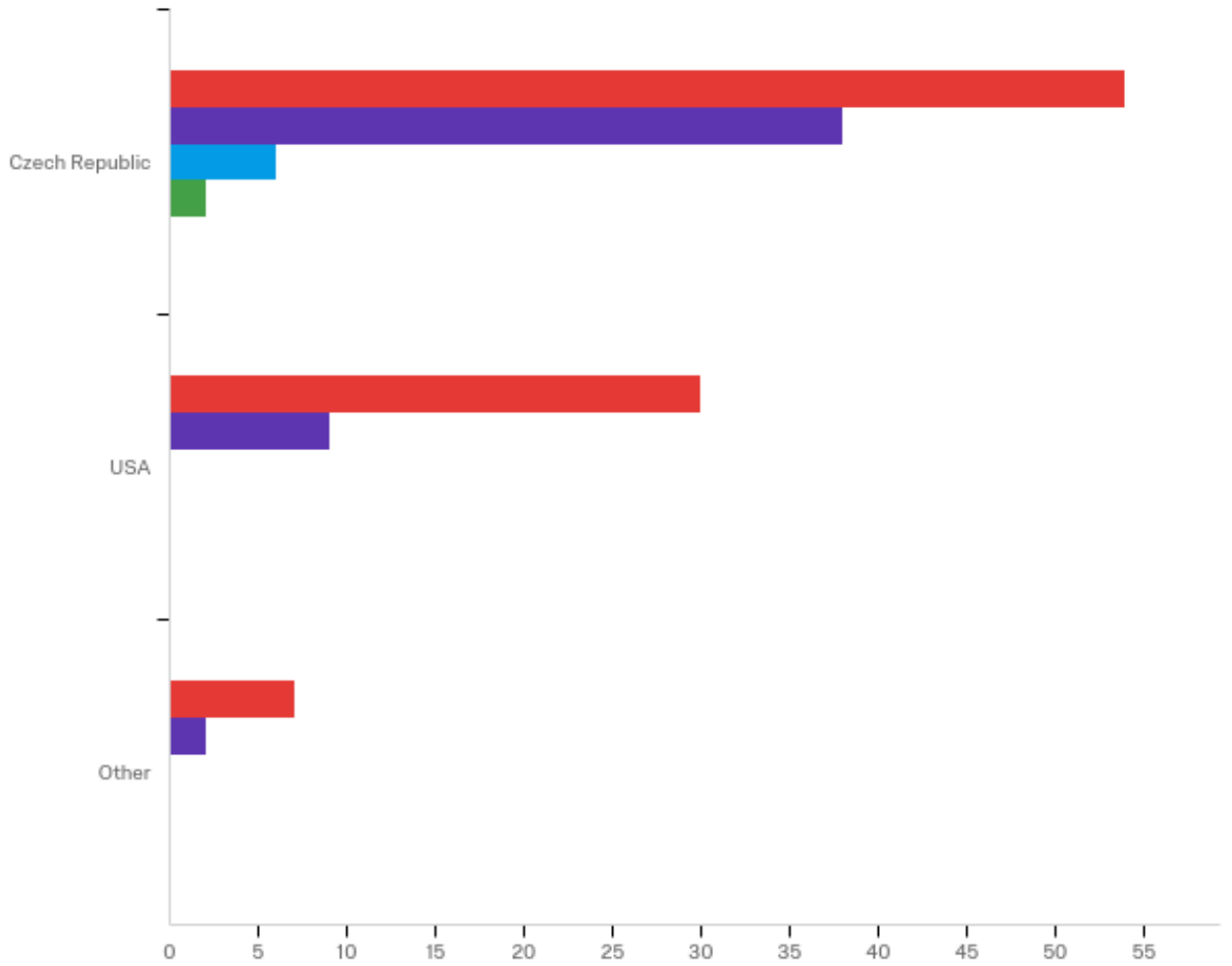
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Q19 - What is your gender?



#	Question	Czech Republic		USA		Other		Total
1	Male	67.12%	49	27.40%	20	5.48%	4	73
2	Female	68.00%	51	25.33%	19	6.67%	5	75

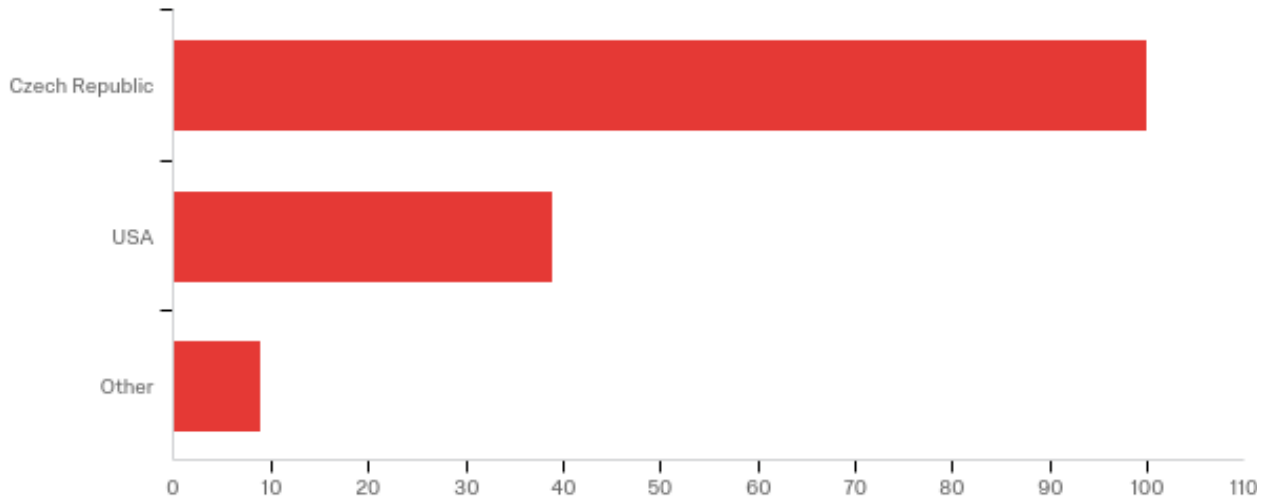
Q20 - What is your age?



#	Question	Czech Republic		USA		Other		Total
1	18 - 24	59.34%	54	32.97%	30	7.69%	7	91
2	25 - 34	77.55%	38	18.37%	9	4.08%	2	49
3	35 - 44	100.00%	6	0.00%	0	0.00%	0	6
4	45 - 54	100.00%	2	0.00%	0	0.00%	0	2
5	55+	0.00%	0	0.00%	0	0.00%	0	0



Q21 - What is your country of residence?



#	Answer	%	Count
1	Czech Republic	67.57%	100
2	USA	26.35%	39
3	Other	6.08%	9
	Total	100%	148

Q21\_3\_TEXT - Other - Other

Other - Text

Slovakia

Slovakia

Slovakia

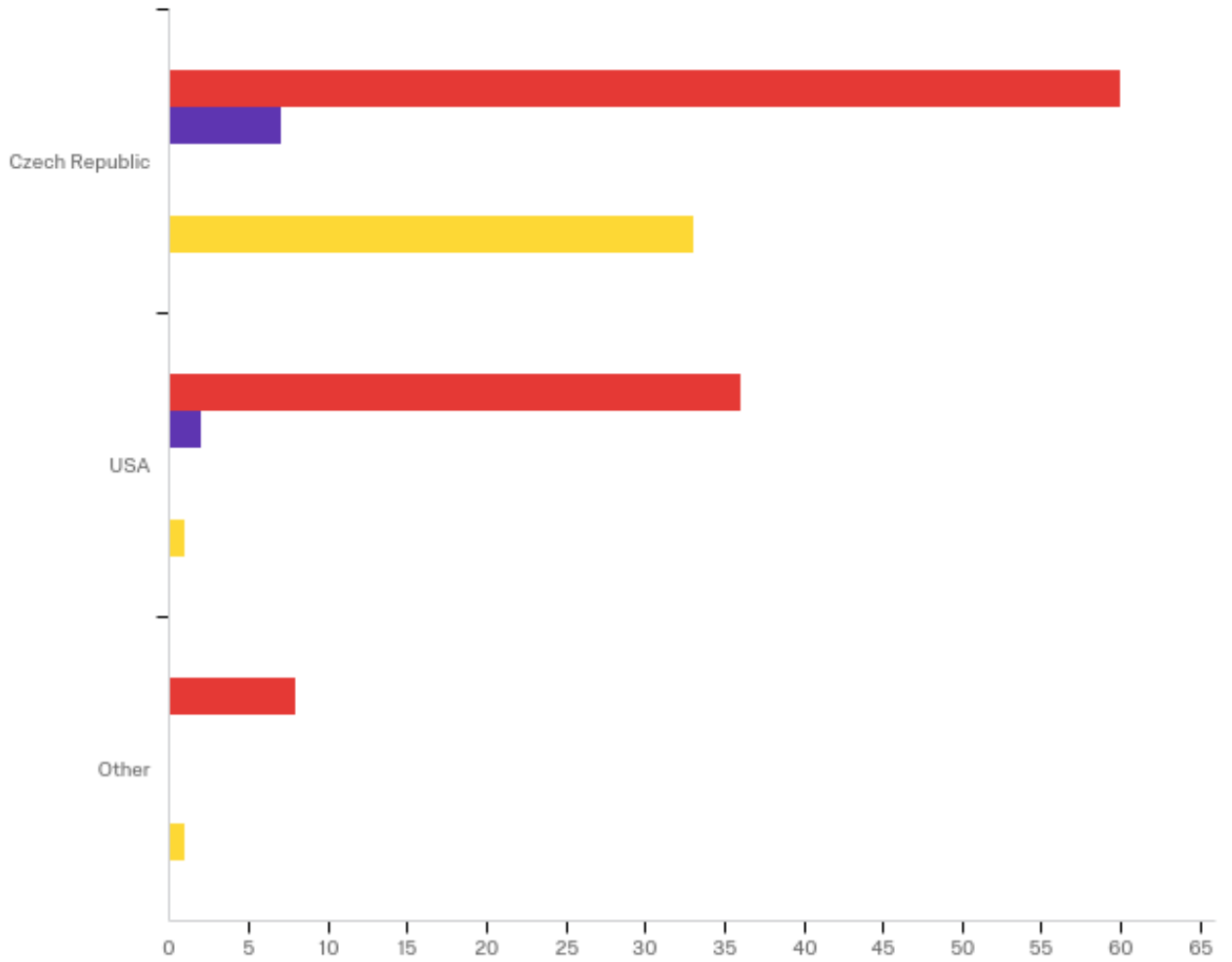
Ukraine

CK

Slovakia

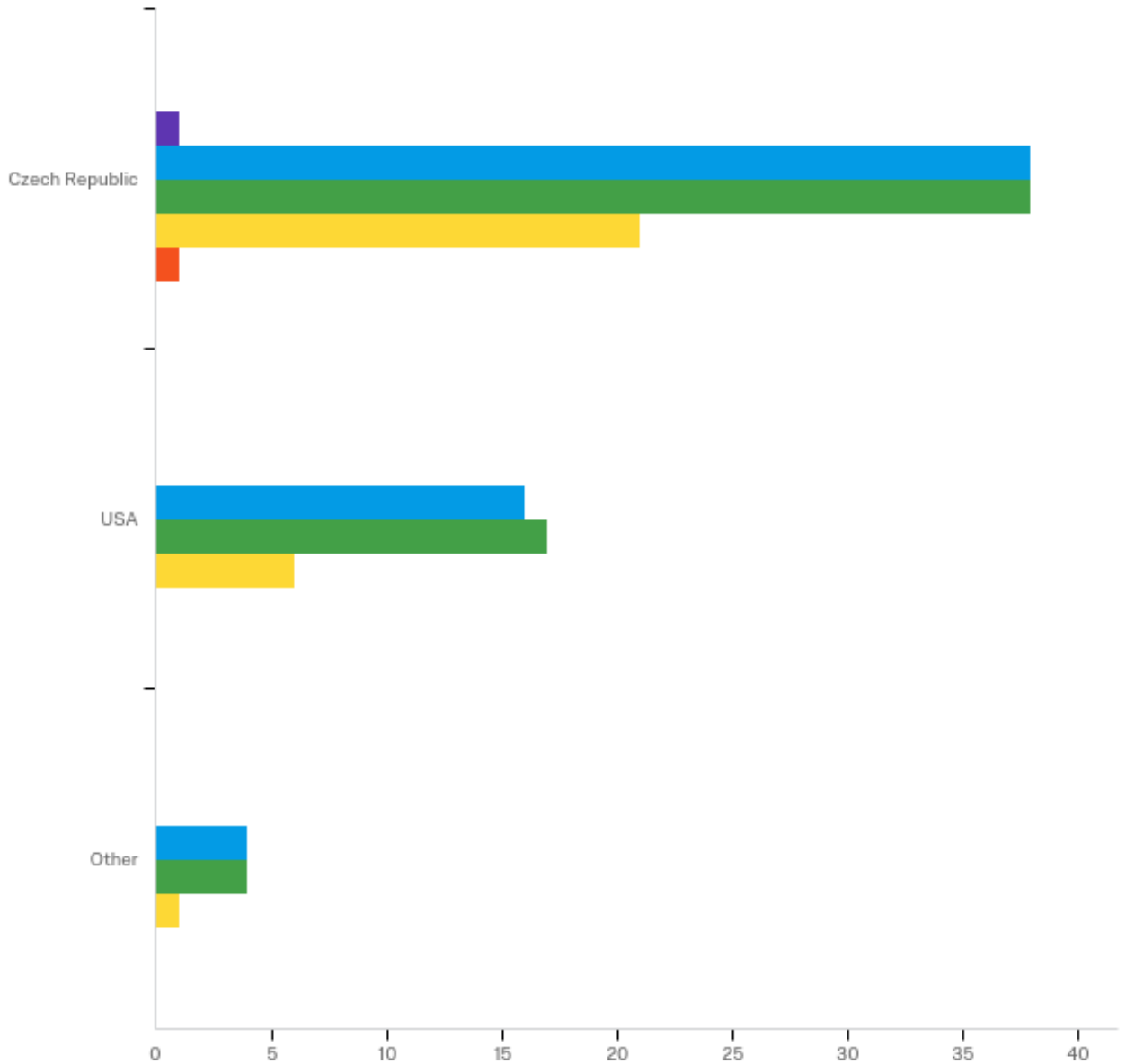
United Kingdom

Q22 - What is your marital status?



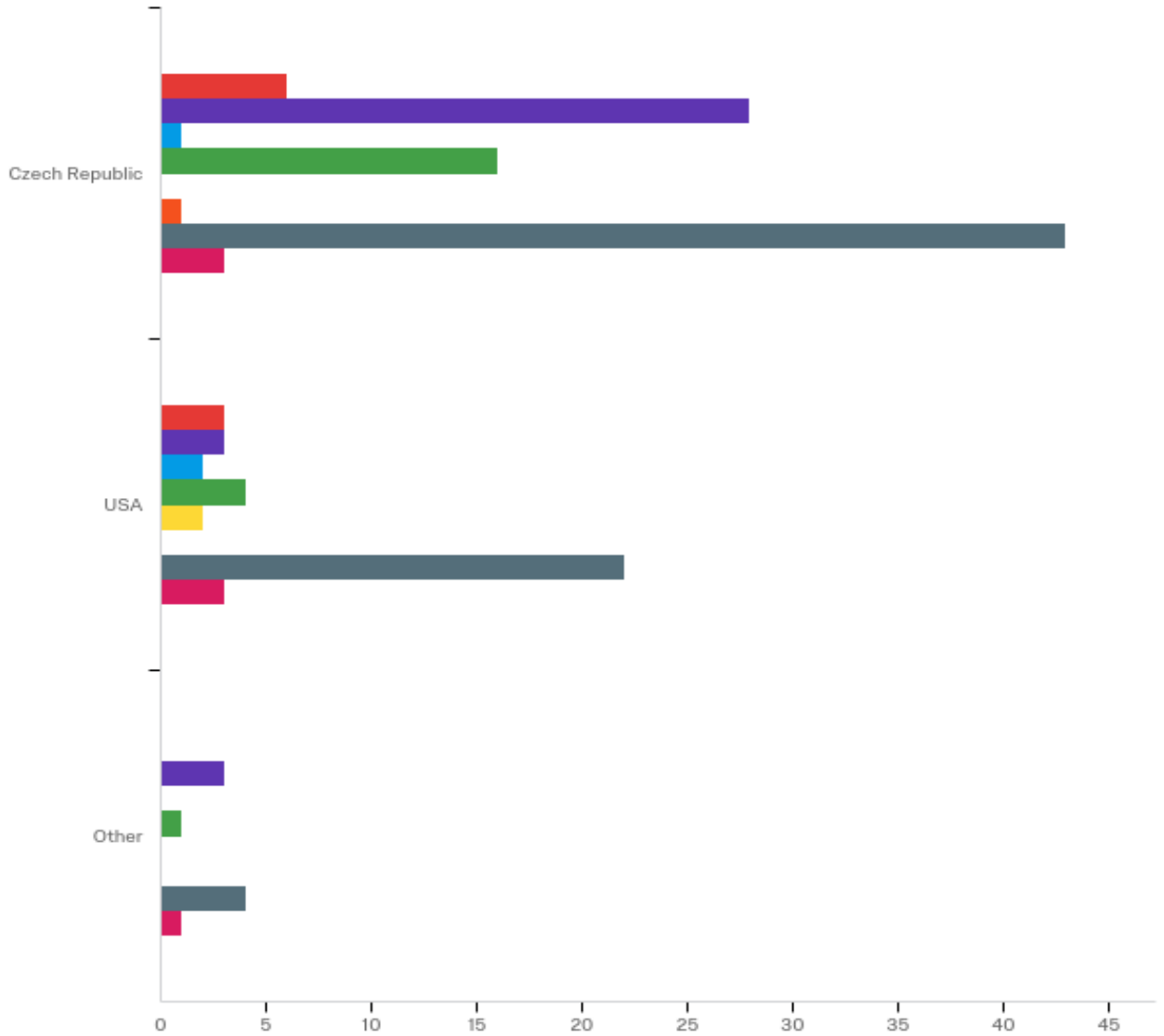
#	Question	Czech Republic		USA		Other		Total
1	Single	57.69%	60	34.62%	36	7.69%	8	104
2	Married	77.78%	7	22.22%	2	0.00%	0	9
3	Divorced	0.00%	0	0.00%	0	0.00%	0	0
4	Widowed	0.00%	0	0.00%	0	0.00%	0	0
5	Living with partner	94.29%	33	2.86%	1	2.86%	1	35

Q23 - What is your highest education level?



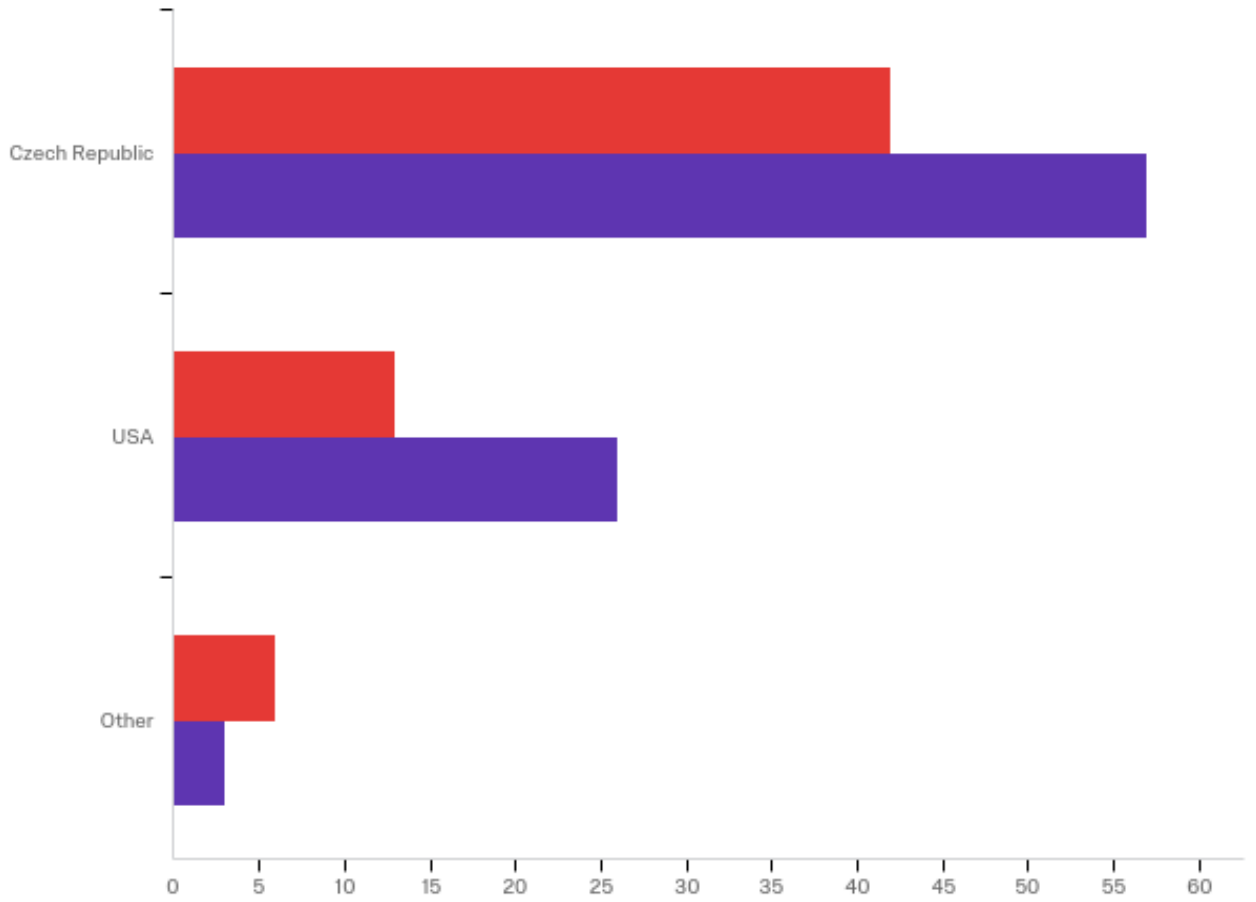
#	Question	Czech Republic		USA		Other		Total
1	No school completed	0.00%	0	0.00%	0	0.00%	0	0
2	Primary school	100.00%	1	0.00%	0	0.00%	0	1
3	High school	65.52%	38	27.59%	16	6.90%	4	58
4	Bachelor's degree	64.41%	38	28.81%	17	6.78%	4	59
5	Master's degree	75.00%	21	21.43%	6	3.57%	1	28
6	Doctorate degree or higher	100.00%	1	0.00%	0	0.00%	0	1

Q24 - What is your occupation?



#	Question	Czech Republic		USA		Other		Total
1	Administrative	66.67%	6	33.33%	3	0.00%	0	9
2	Technical	82.35%	28	8.82%	3	8.82%	3	34
3	Sales	33.33%	1	66.67%	2	0.00%	0	3
4	Management	76.19%	16	19.05%	4	4.76%	1	21
5	Entrepreneur	0.00%	0	100.00%	2	0.00%	0	2
6	Homemaker	100.00%	1	0.00%	0	0.00%	0	1
7	Student	62.32%	43	31.88%	22	5.80%	4	69
8	Other	42.86%	3	42.86%	3	14.29%	1	7

Q25 - Are you the head of the household?



#	Question	Czech Republic		USA		Other		Total
1	Yes	68.85%	42	21.31%	13	9.84%	6	61
2	No	66.28%	57	30.23%	26	3.49%	3	86

