



Comparing cost of hygienic goods for Vietnamese males and females in urban areas in Vietnam

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Abstract

The concept of "Pink Tax" posits that products intended for females cost more compared to their male counterparts, despite serving the same function. This phenomenon has gained prevalence in countries like the US and UK, but whether it exists in Vietnam is still unknown. Therefore, this study investigates the presence of Pink Tax in hygienic products in Hanoi, Vietnam, aiming to raise awareness and propose policy recommendations to alleviate its impact if it exists. Through a quantitative approach, we analyze price differentials between male and female versions of essential hygienic products (shampoo, deodorant, facial cleanser). Data collected from three prominent supermarkets reveal that female-targeted products generally carry higher average prices than male equivalents, though facial cleansers exhibit an opposite trend. Calculations also show that females spend a higher percentage of their average salary on these products compared to males. Limitations include a small sample size and the exclusion of lesser-known brands, impacting generalization. Despite these, findings suggest a need for regulatory measures and transparency in pricing to mitigate gender-based price discrimination in Vietnam's consumer market.

Keywords: Pink Tax, gender-based pricing, salary, hygienic products, Vietnam

Introduction

The “Pink Tax” is a theory that it costs women more than men to buy products which have the same purpose (Fontinelle, 2024). Despite its prevalence among women around the world, there is a paucity of research about its status quo in Vietnam. Ngyuen (2021) studies this phenomenon and has a small section about the pink tax in Vietnam, but she only focused on the way the government applies tax on females' necessities. Thus, we are motivated to conduct a study that adds to their work and clarify whether a pink tax exists in Hanoi, Vietnam. We also seek to provide policy recommendations on how to alleviate the burden of the pink tax, given it exists in Vietnam. Specifically, our quantitative study examines the difference in average prices between male and female versions of three essential products: shampoo, deodorant, and facial cleanser. These average prices are then related to average salary to determine average annual spending on these goods. We expect female shampoo, facial cleanser, and deodorant products in urban areas of Vietnam to have higher average prices than the male versions of these products in urban areas, all else equal. Additionally, we expect females to spend a higher percentage of their average salary on these goods than males, all else equal.

Methodology

This study employs quantitative research to analyze the price discrepancies between three hygienic products (shampoo, deodorant, and facial cleanser) marketed towards men and women. The data will be collected by visiting three different chain stores in Hanoi—the capital of Vietnam—and recording the prices of these products.

Selection of products

The authors decided to study hygienic products (shampoo, deodorant, and facial cleanser) because those are necessities for both genders, ensuring a broad relevance for the study. Since hygienic products are typically bought on a regular basis, any price differences can have a significant cumulative financial impact on consumers. Moreover, this type of product is often produced separately for men and women. In other words, male and female products are distinct in formulation, branding, packaging, etc. This clear gender targeting allows for a straightforward comparison of prices between products intended for men and those intended for women. Hygienic products are widely available in a variety of retail settings (supermarkets).

Selection of markets

The authors went directly to three famous retail supermarkets in Vietnam: Fuji Mart, Winmart, and BRG Mart. We decided to record prices in physical stores rather than on brands' websites or e-commerce sites because prices displayed in supermarkets are generally fixed and

accurately reflect what consumers pay at the register. Online prices, on the other hand, can fluctuate frequently due to sale, pricing algorithms, or special promotions, potentially leading to inconsistent data. Moreover, our study concentrates on products for two genders within the same brands. However, the authors do not have knowledge of what brands exist in Vietnam, so it made sense to visit the physical stores.

Data collection procedure

The authors created a standardized data collection sheet to record the prices of the specified products (see appendix). The sheet includes columns for the supermarket name, types of products, brand, products' name, genders, and price per volume. Shampoo is priced per 500ml, deodorant is priced per 50ml, and facial cleanser is priced per 100ml. While visiting, the authors took pictures of all researched products and later filled in the sheet.

Data analyzing procedure

After filling in the data collection sheet with the prices of the three products, we calculated the average price per unit, and then computed the difference in average price per unit. The second part of the analysis included finding the percentage of annual salary males and females spend on these goods. To do this, we found annual salaries for males and females in Vietnamese cities each quarter (Nguyen, 2024). Then, we calculated the percentage of annual salary spending on hygienic products (shampoo, deodorant, facial cleanser).

Analysis

Table 1: Average price of deodorant, shampoo, and facial cleanser for female and male from three supermarkets in Hanoi.

	Female		Male		Male - Female
Product	Number of products	Average price/unit	Number of products	Average price/unit	Difference in price/unit
Deodorant	27	92,283VND	16	82,968VND	9,315
Shampoo	27	152,716VND	17	142,261VND	10,455
Facial cleanser	15	71,534 VND	18	83,407VND	11,873

Note: Deodorant is recorded with average price per 50ml; Shampoo is recorded with average price per 500ml; Facial cleanser is recorded with average price per 100ml. Some products found in 3 supermarkets were the same but with different prices

Table 2: Average annual salary of male and female and the percentage of spending on 3 hygienic products.

	Male	Female
Salary per year	88,056,000VND	75,264,000VND
Deodorant	82,968VND	92,283VND
high	1,194,739VND	1,328,875VND
low	296,195VND	329,450VND
avg.	745,467VND	829,163VND
% of annual salary	$8.4658 \cdot 10^{-3}\%$	0.01102%
Shampoo	142,261VND	152,716VND
high	1,052,731VND	952,947VND
low	516,407VND	714,710VND
avg.	784,569VND	833,829VND
% of annual salary	$8.90988 \cdot 10^{-3}\%$	0.01108%

Facial cleanser	83,407VND	71,534VND
high	1,242,764VND	1,065,856VND
low	984,203VND	844,101VND
avg.	1,113,484VND	954,979VND
% of annual salary	0.01264%	0.01269%
All goods % of annual salary	0.03002%	0.03478%

Notes:

We estimated “high” usage for male and female to be 14.4 number of 50 ml deodorant /year (DI Marketing, 2015), (DI Marketing, 2016)

We estimated “low” usage for male and female to be 3.57 number of 50 ml deodorant /year

We estimated “high” usage for male to be 7.4 number of 500 ml shampoo/year (Q&Me Vietnam Market Research, 2015)

We estimated “low” usage for male to be 3.63 number of 500 ml shampoo/year

We estimated “high” usage for female to be 6.24 number of 500 ml shampoo/year (Q&Me Vietnam Market Research, 2015)

We estimated “low” usage for female to be 4.68 number of 500 ml shampoo/year

We estimated “high” usage for male and female to be 14.9 number of 100 ml facial cleanser/year (DI Marketing, 2015), (Q&Me Vietnam Market Research, 2019)

We estimated “high” usage for male and female to be 11.8 number of 100 ml facial cleanser/year

The following is an example calculation for women’s shampoo. According to current research, women shampoo 4 times per week with 15ml (the highest mean) per use (Q&Me Vietnam Market Research, 2015). So in a week, a woman consumes 60 ml of shampoo. Next, we took 500ml (the full volume of a shampoo bottle) divided by 60, equal 8.3 weeks (time to use up 500ml of shampoo). Then, we calculated the number of shampoos used per year and multiplied it with 152,716VND (the average cost of a shampoo). In the end, 952,947VND is the highest average money spent on shampoo by a woman a year.

Results

We found that average prices for women's deodorant and shampoo are higher than average prices for men's deodorant and shampoo (92,283VND > 82,968VND, 152,716VND > 142,261VND). However, the average price for women's facial cleanser is lower than average price for men's facial cleanser (71,534VND < 83,407VND).

High estimates for annual spending on women's shampoo and facial cleanser are lower than high estimates for annual spending on men's shampoo and facial cleanser. However, annual spending on women's deodorant is higher than that for men's deodorant. Low estimates for women's annual spending on deodorant and shampoo are higher than high estimates for men's annual spending on deodorant and shampoo. However, that for women's facial cleansers is lower than that for men's facial cleansers.

Additionally, women spend a higher percentage of annual average salary on deodorant and shampoo than men. But men and women spend roughly the same percentage of annual salary on facial cleansers. Across the goods studied, the percentage of annual salary spent was approximately 0.008% to 0.013% for men and 0.011% to 0.013% for women.

Limitations

A notable limitation of this research is the small sample size. The authors went through only three supermarkets in Hanoi, and thus the study may not adequately capture the diversity and variability present in the whole country, impacting the generalizability of the findings. Moreover, small sample sizes increase the risk of statistical errors, affecting the reliability and validity of the conclusions drawn from the study. To enhance the robustness of future research, it would be beneficial to replicate the study with a larger and more diverse sample.

Furthermore, the study only exposed a few popular brands on the market, which can result in failing to fully reflect the diversity and complexity of the broader market. The more famous a brand is, the more demand customers have for its products. However, supermarkets just include some of the most famous brands so the authors could not get access to products from less well-known brands. To address this issue, next research should expand the reach to include more brands, especially those that are less known but have significant market potential by collecting data from the media sites of these "weaker" companies.

This result may not be accurate for a long time because in the future, selling prices may increase owing to the scarcity of ingredients, low number of products, diseases, natural

disasters. On the other hand, selling prices may decrease due to novel processing methods found, saving more time and effort to produce.

Discussion

There are plenty of elements that lead to the relationship between the price of a good and its gender designation. Quality is the first factor that needs to be considered. For instance, shampoos marketed to different genders might have different formulations. Men's shampoos might focus on features like anti-dandruff or greasy hair, while women's shampoos might emphasize moisturizing, volumizing, aroma, leading to price differences. Secondly, marketing has something to do with this phenomenon. In order to attract women, firms often produced their goods with elaborate or aesthetically pleasing packaging, which takes a lot of time and effort to think and create. Besides, the packages are colorful so it costs firms more to print and create the colors. Obviously, this can increase production costs and thus prices.





Huang & Sarigollu, (2013) show that women often prioritize product features, such as formulation, packaging, and brand reputation over price. From an economic perspective, this consumer behavior can lead to higher consumer surplus for this gender, causing sellers to raise their cost.

However, when it comes to the factor that makes the price for men's facial cleansers higher than women's is special. The authors suppose the reason is due to the economies of scale. According to statistics from Nguyen (2023), the percentage of men using face wash is half of that for women. In other words, demand for facial cleansers among men is much lower than among women. As a result, companies are likely to prioritize producing facial cleansers for women and produce fewer for men. According to economic theory, the higher the number of products being produced can lead to economies of scale, which means that marginal cost is lower than average cost (O'sullivan, A., Sheffrin, S. M., & Swan, K 2003). Average total cost decreases when marginal cost is less than it. Thus, because companies produce a huge number of females' facial cleansers, the fixed cost is divided to many smaller parts, decreasing the average total cost. In contrast, the number of males' facial cleansers is low, so it costs higher for the company to produce such goods, leading to higher production cost.

In conclusion, Hanoi, Vietnam, is a gender-equal city in at least hygienic products. The discrepancies between hygienic products' cost for men and women are not too considerable, it still matches Vietnamese fixed salary.

Policy recommendations

The government should enact laws that require companies to disclose the cost breakdown of products and services, making it clear when prices are higher for women's products. Brands should give a thorough report about producing prices including labor cost, material prices, packaging prices.

Legislation that prohibits gender-based pricing for similar goods is also crucial. For instance, in California in the United States, Title VII of the Civil Rights Act of 1964 prohibits discrimination on the basis of gender identity (Civil Rights Act of 1964). The law applies to products that have similar function, design, feature, and belong to the same brands/entity.

Advice for future research

In the future, other research should extend the scope of research. This might include a study about the pink tax in the Southeast Asia region to figure out why the seriousness of pink tax in Vietnam is really minimal compared to that in Europe or Americas. They should also focus on broader industries with multiple goods and services.

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Appendix:

If standardized data collection is not viewable using the link below, please reach out to the lead author, Giang V. Nguyen at nguyenvungangiang79@gmail.com

https://docs.google.com/spreadsheets/d/1IGD__bmRvSfvU8PQPpa6xObXxow_KjOMlyLrgGHYcHvQ/edit?gid=0#gid=0

