

Simon-Kucher 2025 US Consumer Tariff Market Study



Insights from surveying 2,000+ US consumers on their perception of tariffs



Introduction

Welcome to Simon-Kucher's 2025 US Consumer Tariff Market Study—a comprehensive analysis of how impending tariff policies influence US consumer sentiment and spending behavior. Based on a survey of 2,000+ consumers, this study uncovers key factors shaping purchasing decisions, tariff awareness, expected price shifts, and strategies for businesses to mitigate demand fluctuations.

Key Insights:


- **Consumer sentiment** on tariffs and their perceived economic impact
- **Price sensitivity** and acceptable cost increases across product categories
- **Spending adjustments** in response to tariff-driven price changes
- **Strategic recommendations** to navigate tariff-related market shifts

These insights provide high-level perspectives that can be further tailored to specific subverticals and industry needs. If you're interested in a customized analysis, our experts are available to refine the data to your requirements.


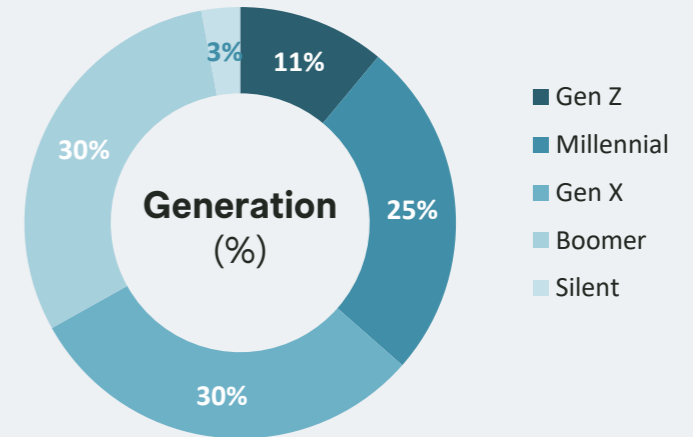
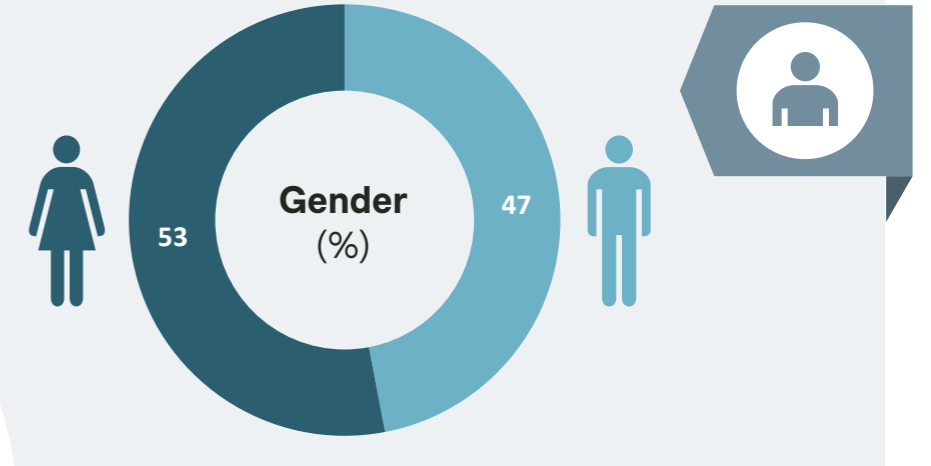

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Simon-Kucher's 2025 Tariff Market Study covered a representative US consumer sample



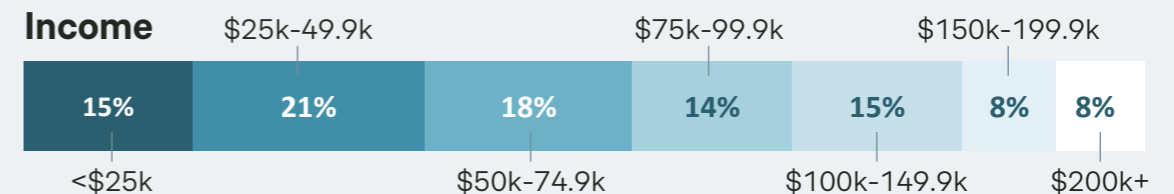
The online study evaluates
Impact of impending tariff policies on consumer sentiment and spending behavior

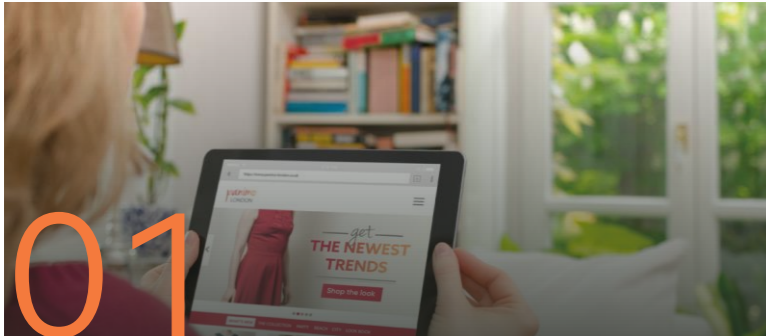
 **United States**



Sample Size: 2,000+ everyday consumers



While consumers generally anticipate tariffs to negatively impact their purchasing capacity and behavior, there are methods for companies to retain customers and mitigate demand



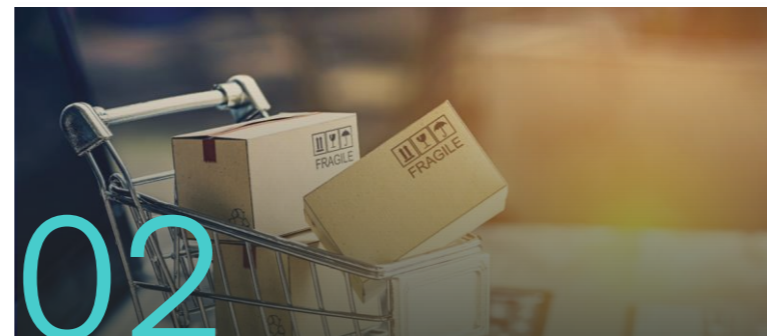
01 Consumer Sentiment

Who are the people most aware of/impacted by tariffs?

General awareness of tariffs is **low**, with only **one-third of consumers** fully understanding their implications.

80% of consumers see tariffs as pure increases prices, while **20%** believe they help protect domestic industries.

While most consumers expect tariffs to **affect their daily lives**, there is **no consensus** on the severity or long-term impact.



02 Product Category Split

What product categories are consumers most sensitive to?

Consumers **feel pressure**, but overall perception is that price levels are **mostly not too expensive yet**.

However, price increase tolerance **varies by category**, with core essentials seeing **higher resilience** to inflation than non-essential purchases.

Some consumers plan to **decrease their spending** – focusing more on **promotions, trading down** or **stop purchasing** for now.



03 Reactions & Mitigation

What are consumers going to do and how can companies react?

Consumers are likely to **seek promotions, trade down, or adjust purchasing channels**.

Made-in-USA labeling could gain traction as consumers express preference for domestic production in response.

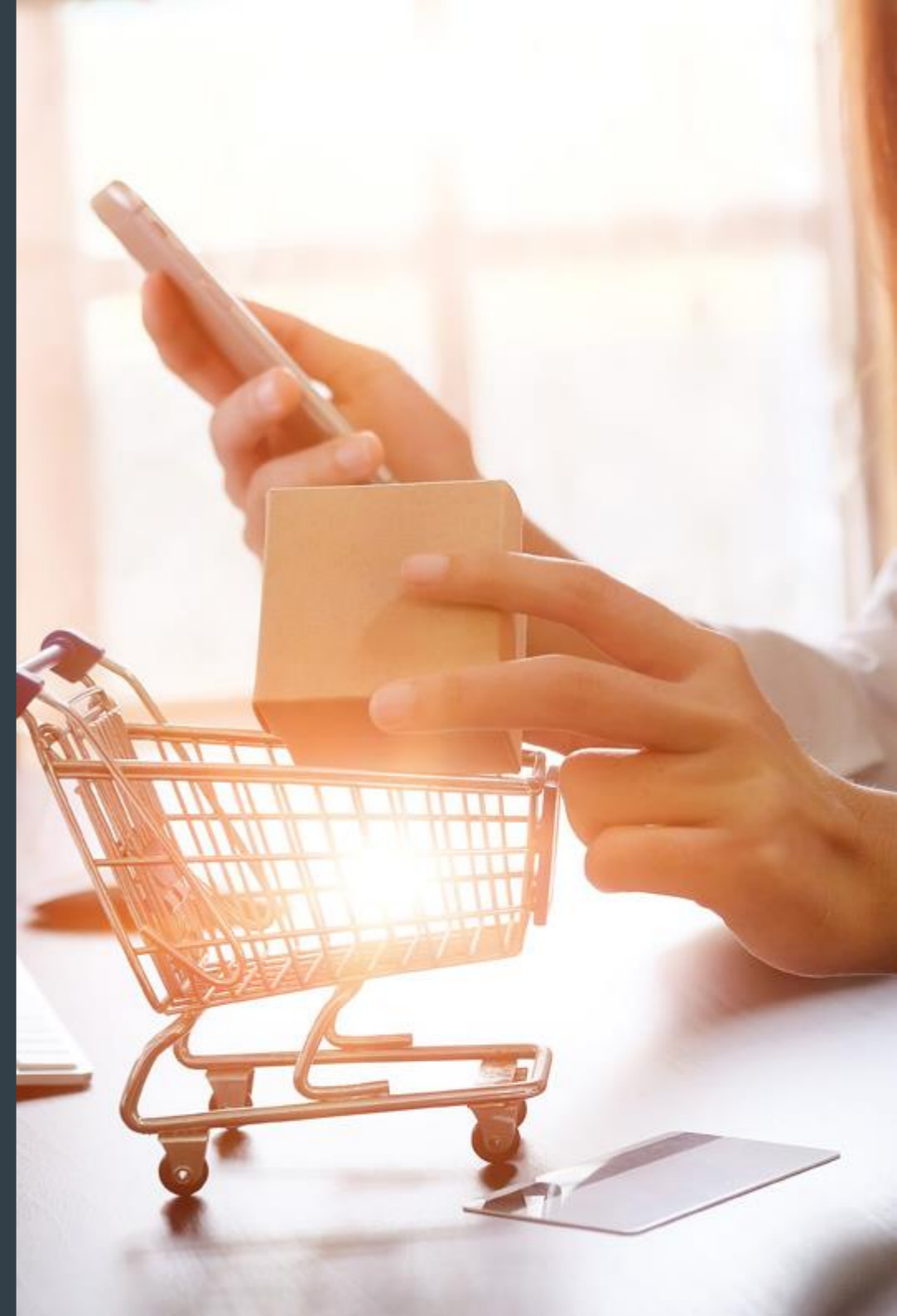
Companies can **mitigate the impact** by strategic pricing, localized production, and targeted promotions to maintain customer loyalty



While consumers are bracing for the impact of new tariffs, their spending behavior remains adaptable.

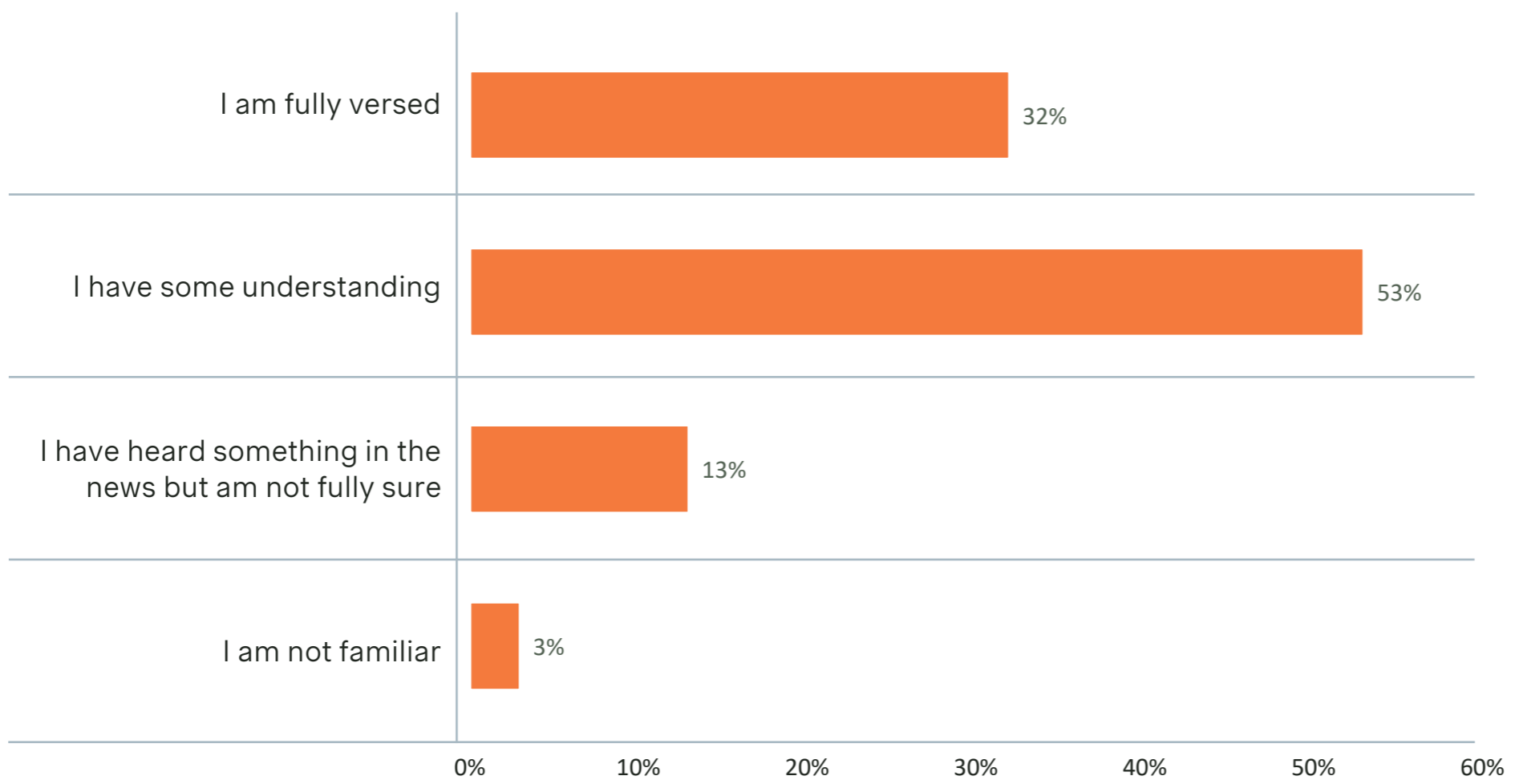
Businesses that proactively refine pricing strategies and offer transparent value will be best positioned to maintain consumer trust and drive sustainable growth in a shifting market.

Matthew Suggett
Partner, Simon-Kucher



Consumers overall reported limited understanding of tariffs

CONSUMER AWARENESS OF TARIFFS



Key Finding

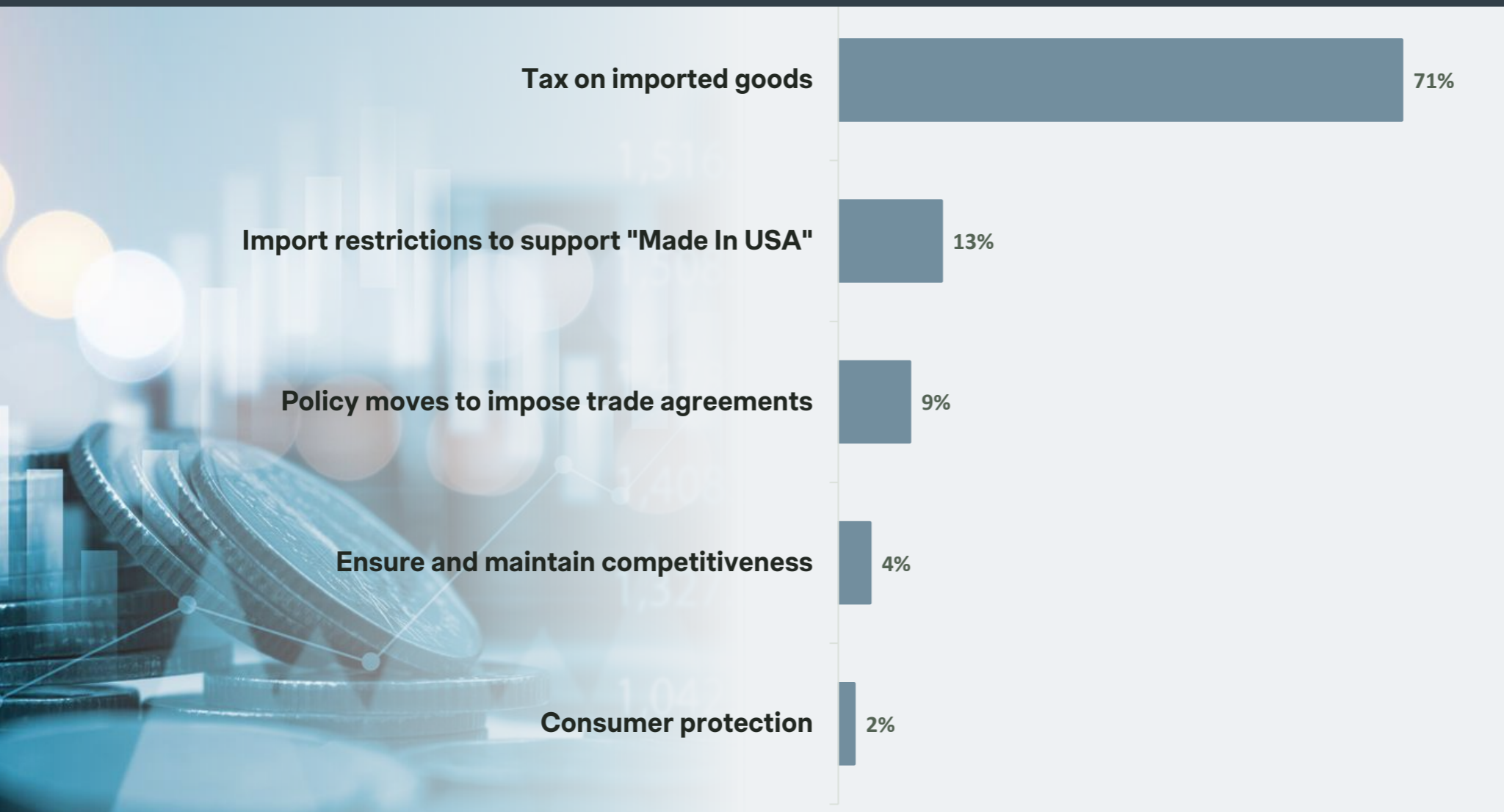
With only **1/3** of consumers fully understanding tariffs, misconceptions may drive reactive spending.

Source: Simon-Kucher 2025 Tariff Market Study
Q: President Trump just announced new tariffs. How familiar are you with what these tariffs mean?

80% of consumers see tariffs just as a tax on other trade regions to comply with policy proposals, but 20% believe they protect domestic jobs & industries



CONSUMER UNDERSTANDING OF TARIFFS



Key Finding

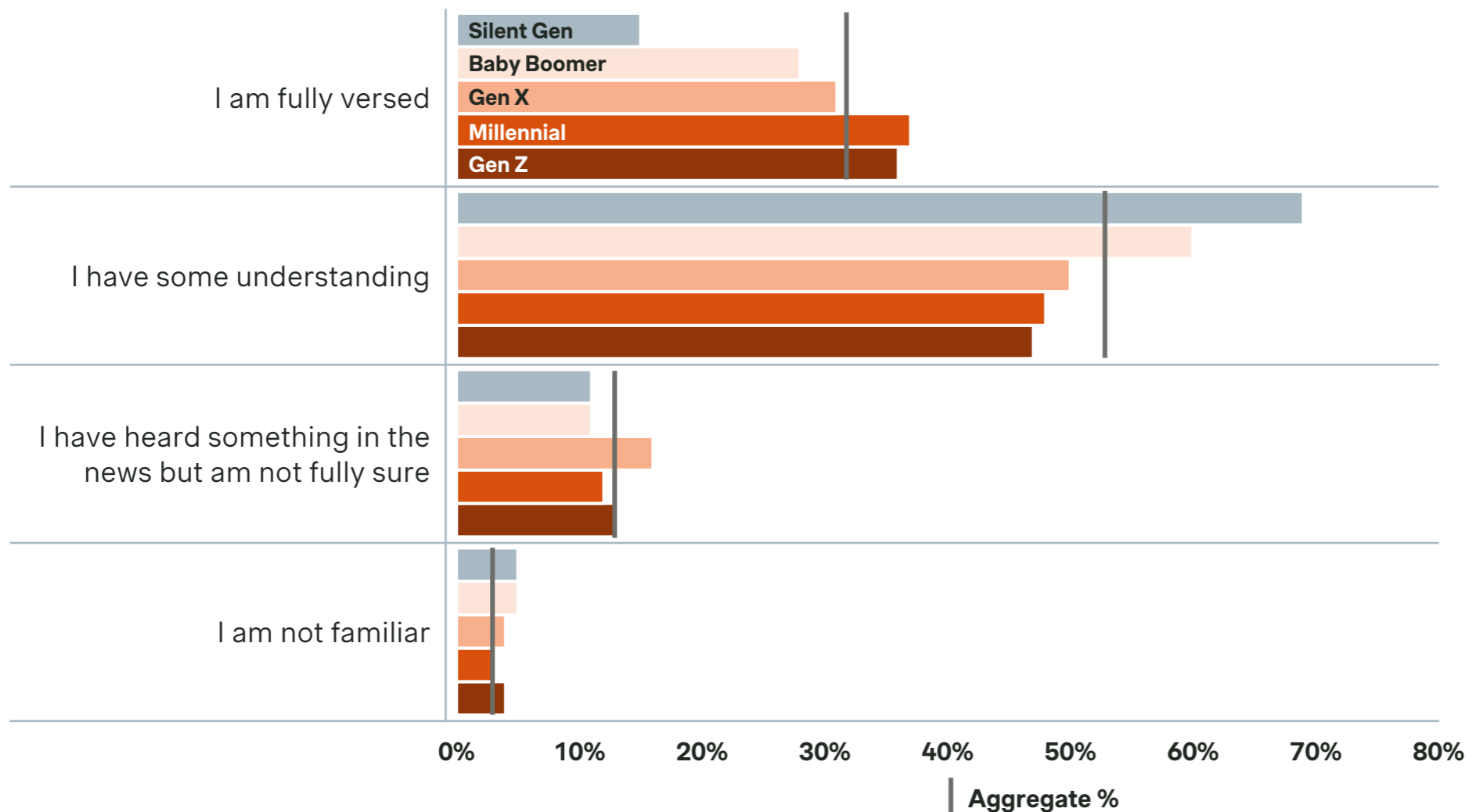
Consumers overwhelmingly view tariffs as a price hike: **71%** see them as a direct tax on imported goods, reinforcing impact on everyday costs

Source: Simon-Kucher; 2025 Tariff Market Study Survey
Q: What do you associate with the term "tariffs"? Please select the answer that most closely matches your association.

Tariff understanding varies across demographics, so it is important to know who your audience is when communicating price changes due to tariffs (1/3)



CONSUMER AWARENESS OF TARIFFS ACROSS AGE GROUPS



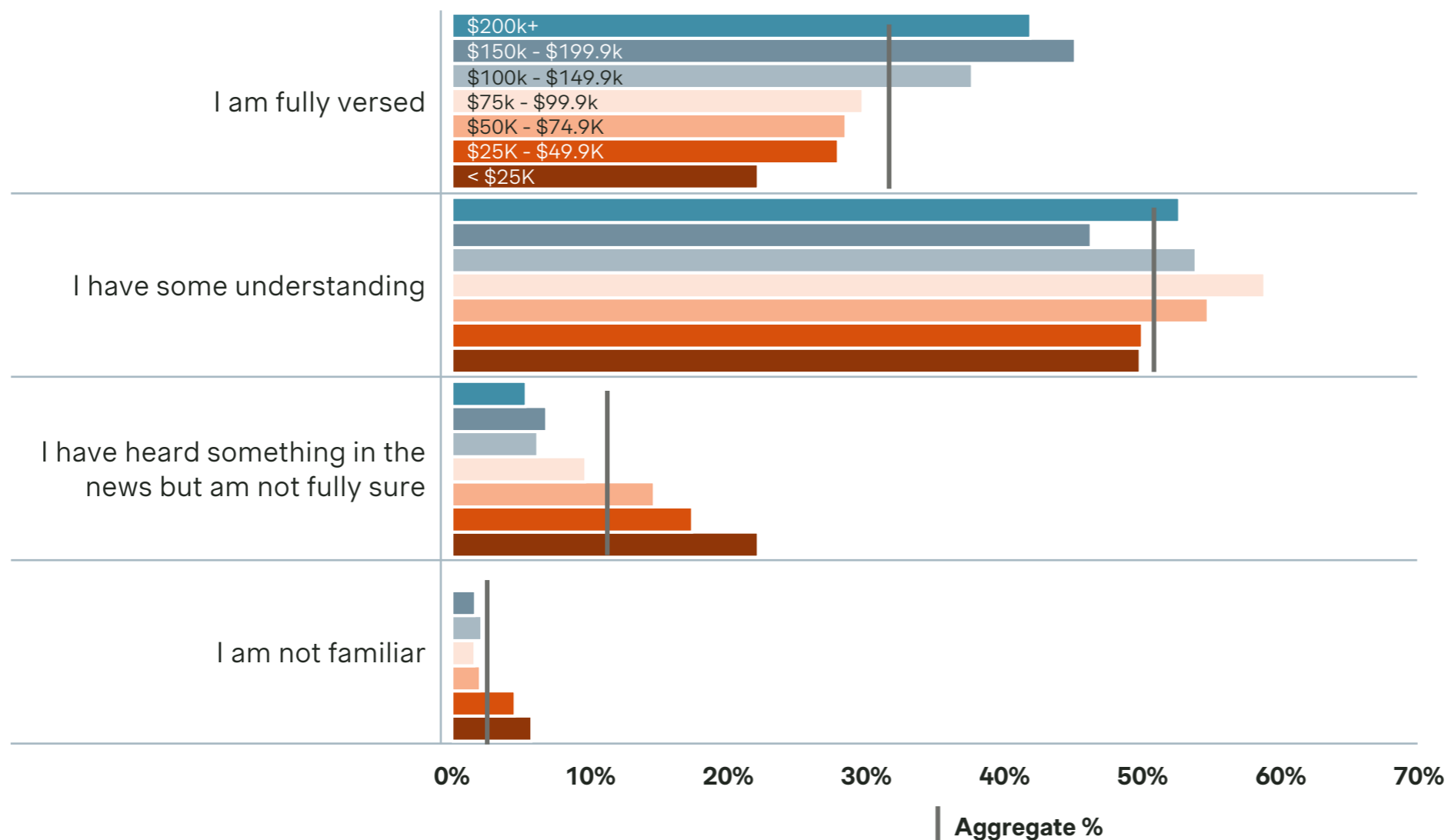
Tariff fluency skews younger...
Gen Z and Millennials lead in understanding, making them key audiences for tariff-related messaging

Source: Simon-Kucher 2025 Tariff Market Study
Q: President Trump just announced new tariffs. How familiar are you with what these tariffs mean?

Tariff understanding varies across demographics, so it is important to know who your audience is when communicating price changes due to tariffs (2/3)



CONSUMER AWARENESS OF TARIFFS ACROSS INCOME AND CHILDREN



Key Finding

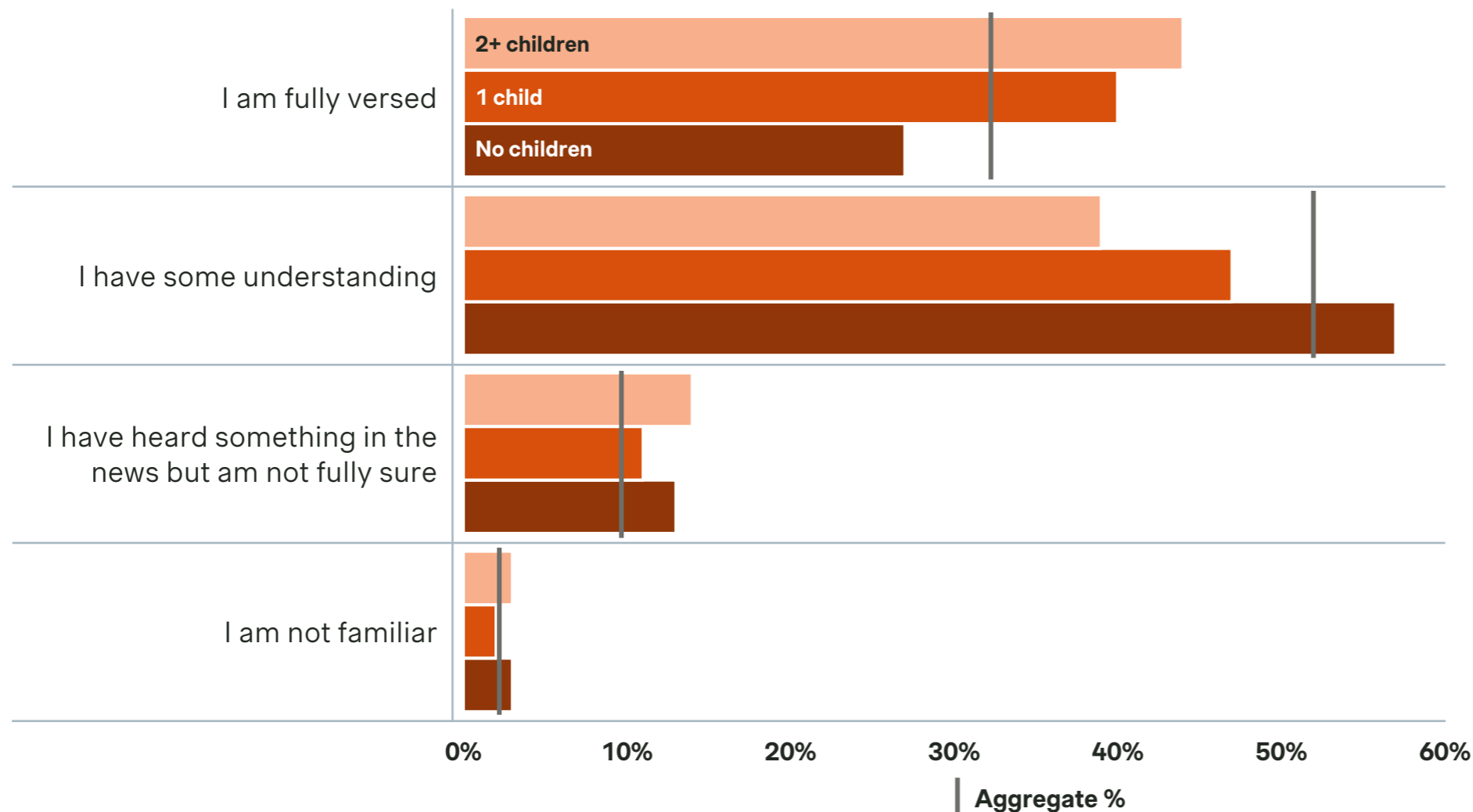
High-income households are **2x** more likely to be well-versed in tariffs, creating opportunities to engage & elaborate on price changes

Source: Simon-Kucher 2025 Tariff Market Study
 Q: President Trump just announced new tariffs. How familiar are you with what these tariffs mean?

Tariff understanding varies across demographics, so it is important to know who your audience is when communicating price changes due to tariffs (3/3)



CONSUMER AWARENESS OF TARIFFS ACROSS NUMBER OF CHILDREN IN HOUSEHOLD



Key Finding

Family-focused messaging & offerings will be key in addressing this segments' needs, as households with dependents are **2x more likely to understand tariffs**

Source: Simon-Kucher 2025 Tariff Market Study
 Q: President Trump just announced new tariffs. How familiar are you with what these tariffs mean?

Although there is a general expectation that tariffs will have at least some impact, perspectives vary on the nature and extent of that impact



CONSUMER PERCEPTION OF TARIFFS ACROSS GENDER



Source: Simon-Kucher 2025 Tariff Market Study
 Q: To what extent do you expect these tariffs will have an impact on your daily life? & Q: Do you believe tariffs are beneficial or harmful to the U.S. economy overall?

Consumers have been feeling the pressure of rising prices, but they're making strategic choices—prioritizing essential goods while selectively scaling back on discretionary spending.

Tariffs and inflation will continue to shape purchasing behavior—brands must adapt by reinforcing value, optimizing pricing strategies, and engaging consumers when it matters most.

Shikha Jain

Partner, Simon-Kucher

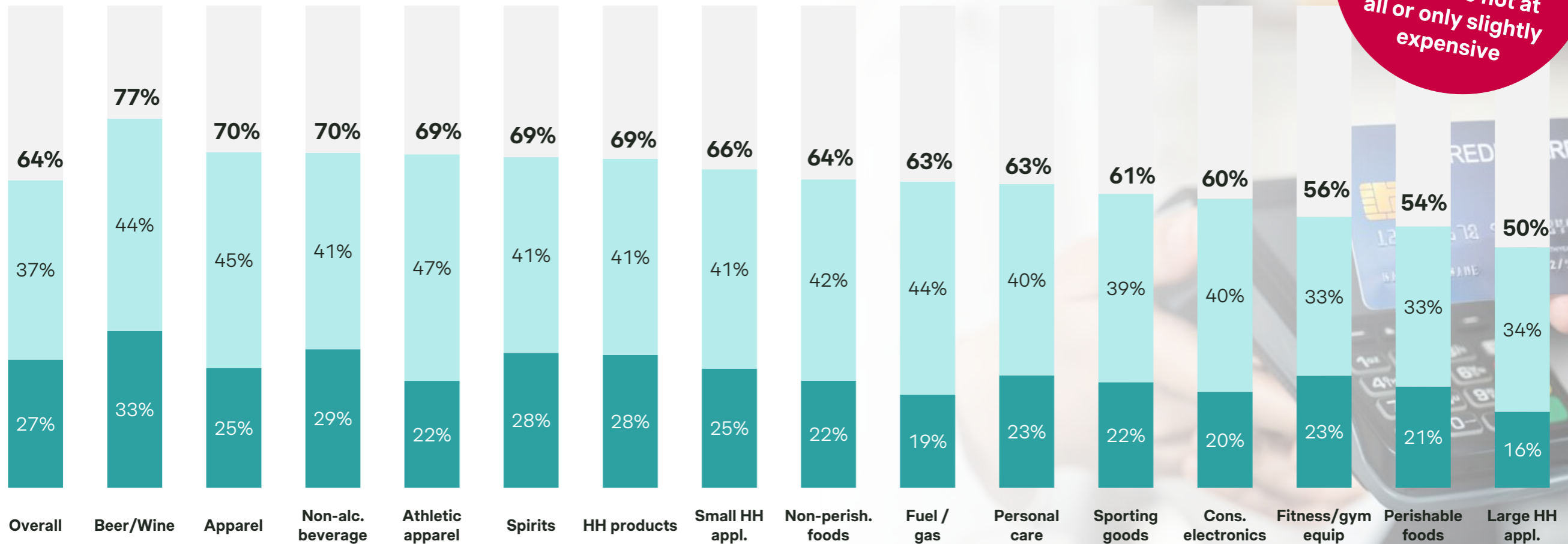


Consumers feel some price pressure overall, but have not reached a point where everything is too expensive



CURRENT PRICE PERCEPTION BY PRODUCT CATEGORIES: FAIR VALUE – SLIGHTLY EXPENSIVE

■ Prices are **slightly** expensive
■ I pay **fair value** for what I buy



More than half of consumers across all products think prices are not at all or only slightly expensive

Source: Simon-Kucher 2025 Tariff Market Study
 Q: How do you feel about current price levels in comparison to the goods you purchase?

Consumers are mostly prepared to spend more due to tariffs in essential goods, but a significant group is expecting to decrease within discretionary spending categories



ANTICIPATED CHANGE IN SPENDING VS. PREVIOUS MONTH/12 MONTHS BY PRODUCT CATEGORY – CONSUMER PERCEPTION

Essential goods	Ø spend change	Breakdown of change across respondents
Perishable foods	high	14% (Decreased) 29% (Unchanged) 56% (Increased)
Household products	high	19% (Decreased) 31% (Unchanged) 50% (Increased)
Personal care & beauty products	medium	21% (Decreased) 29% (Unchanged) 49% (Increased)
Fuel and gasoline	medium	11% (Decreased) 34% (Unchanged) 55% (Increased)
Non-perishable food	medium	12% (Decreased) 32% (Unchanged) 56% (Increased)
Non-alcoholic beverages	medium	15% (Decreased) 41% (Unchanged) 44% (Increased)
Beer/Wine	medium	23% (Decreased) 33% (Unchanged) 44% (Increased)
Spirits	medium	22% (Decreased) 31% (Unchanged) 47% (Increased)

Discretionary goods	Ø spend change	Breakdown of change across respondents
Small household appliances	high	30% (Decreased) 21% (Unchanged) 48% (Increased)
Apparel	medium	38% (Decreased) 21% (Unchanged) 41% (Increased)
Consumer electronics	medium	42% (Decreased) 15% (Unchanged) 43% (Increased)
Fitness & gym equipment	low	34% (Decreased) 27% (Unchanged) 38% (Increased)
Large household appliances	low	37% (Decreased) 21% (Unchanged) 42% (Increased)
Athletic apparel	low	36% (Decreased) 24% (Unchanged) 40% (Increased)
Sports goods	low	37% (Decreased) 24% (Unchanged) 39% (Increased)
Athletic footwear	low	34% (Decreased) 23% (Unchanged) 43% (Increased)

- Decreased** anticipated spend for upcoming month(s) compared to previous.
- Unchanged** anticipated spend for upcoming month(s) compared to previous.
- Increased** anticipated spend for upcoming month(s) compared to previous.

The outlook is mixed, especially for discretionary goods, as more consumers plan to cut spending in anticipation of potential tariffs.

Source: Simon-Kucher; 2025 Tariff Market Study Survey
 Q: What is your best estimate of what you spent in the last 12 months/month for the following categories and what you expect to spend in 2025 due to (potential) tariffs?

Certain consumers are willing to limit discretionary spending beyond an acceptable price increase limit, but will adapt alternative methods to continue purchasing essentials



ANTICIPATED PURCHASING REACTIONS TO PRICE INCREASES CAUSED THROUGH TARIFFS BY PRODUCT CATEGORY

Group	Categories	Anticipated reactions to a 5% increase	Δ in % pts. for a 10% increase				Δ in % pts. for a 20% increase			
			No change	Cheaper	Down-trading	Stop	No change	Cheaper	Down-trading	Stop
Most sensitive	Fitness & gym equipment		-1%	-5%	-2%	+8%	-3%	-11%	-6%	+20%
	Sporting goods		-3%	-1%	-3%	+6%	-6%	-8%	-4%	+18%
	Large household appliances		-4%	-1%	+3%	+2%	-6%	-9%	-2%	+17%
	Consumer electronics		-5%	-6%	+1%	+9%	-7%	-13%	-5%	+25%
//										
Mixed sensitivity	Non-alcoholic beverages		-2%	-3%	+3%	+2%	-7%	-2%	-2%	+11%
	Small household appliances		0%	-1%	-5%	+6%	-4%	-5%	-9%	+18%
	Apparel		-4%	0%	-3%	+7%	-5%	-6%	-5%	+17%
//										
Least sensitive	Personal care & beauty products		-4%	-1%	3%	+2%	-11%	-2%	+6%	+7%
	Non-perishable food		0%	0%	-2%	+2%	-6%	-3%	+4%	+5%
	Perishable foods		-2%	-1%	+1%	+2%	-7%	-2%	+3%	+6%
	Fuel and gasoline		-4%	+4%	-3%	+2%	-10%	+6%	+1%	+3%

■ No change
 ■ Purchase cheaper (promo or less units)
 ■ Down-trading / substitute
 ■ Stop purchase altogether

Source: Simon-Kucher; 2025 Tariff Market Study Survey

Q: Imagine tariffs caused the price for the following categories to increase by 5%. How would you respond? & Q: Imagine tariffs caused the price for the following categories to increase by 10%. How would you respond? & Q: Imagine tariffs caused the price for the following categories to increase by 20%. How would you respond?



True, consumers will likely make deliberate trade-offs as pressure builds.

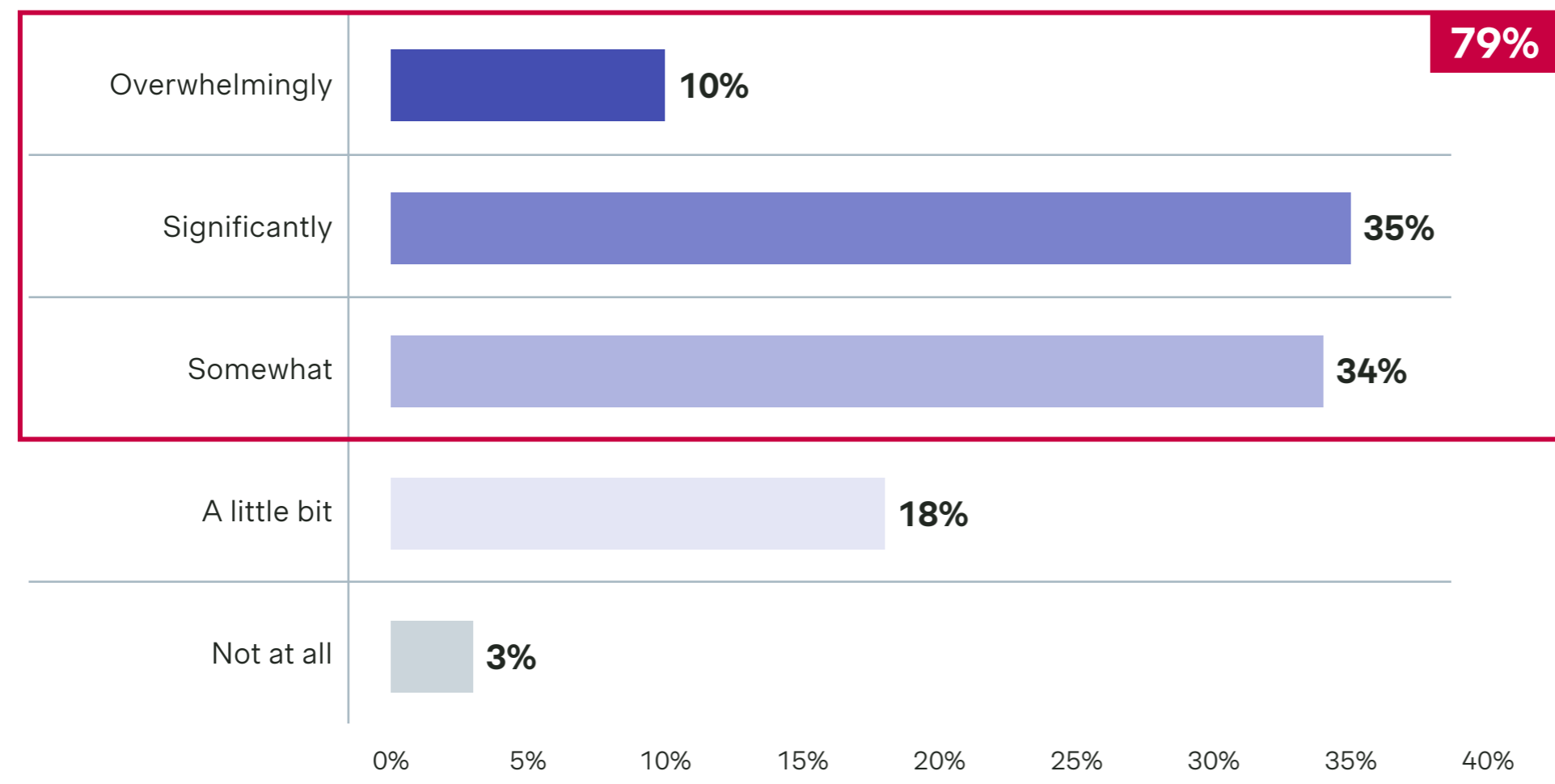
To stay ahead, brands need to go beyond reactive pricing and take a proactive approach— emphasizing the value of their offering, refining their market position, and strengthening consumer trust through standing out from competition.

Max Walter
Director, Simon-Kucher



Overall, consumers feel growing pain caused by inflation

CONSUMER SENSITIVITY TO PRICE INCREASES IN THE PAST 3 YEARS



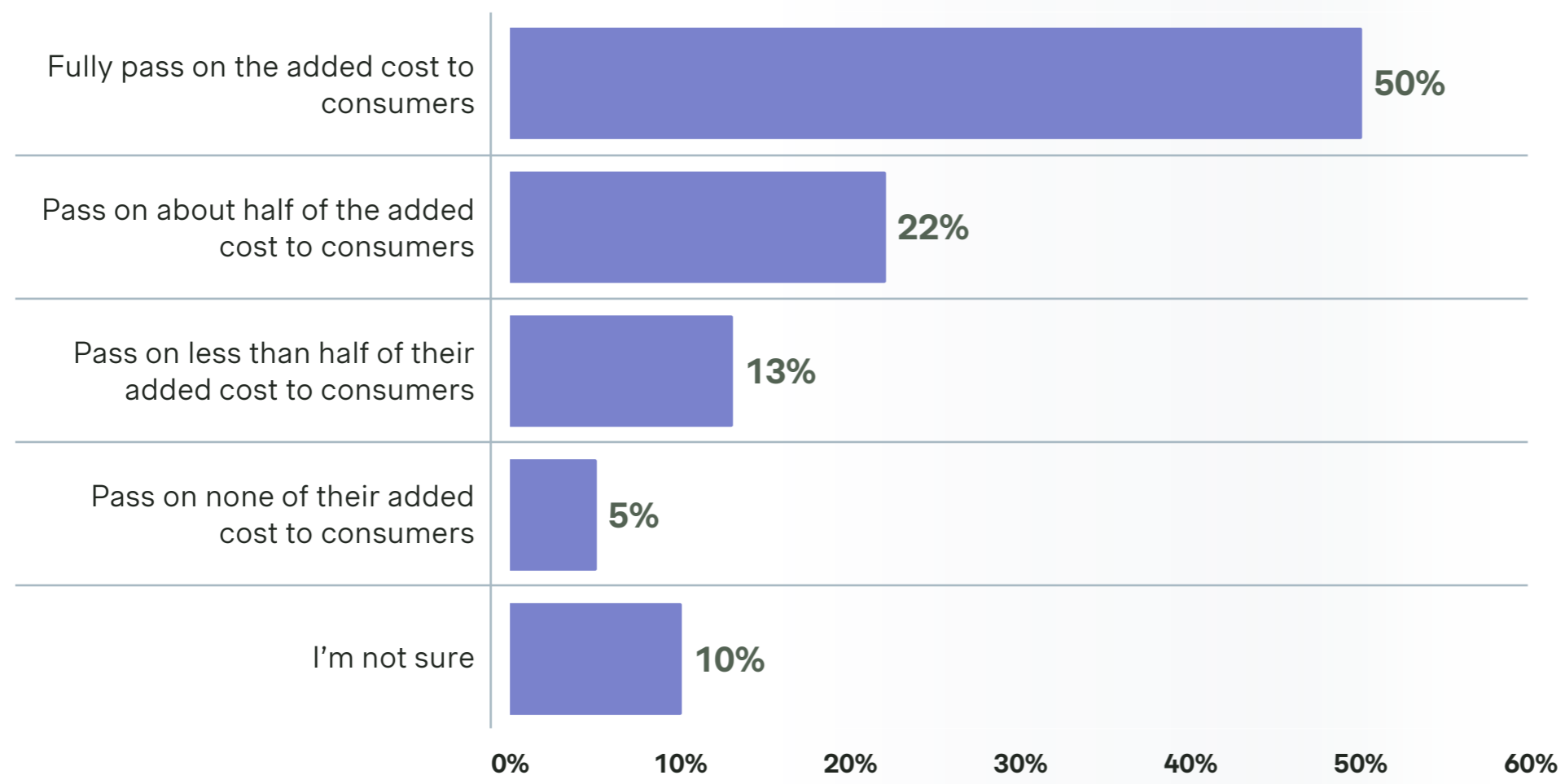
Key Finding

~80%
of consumers have felt noticeable inflation in the last 3 years, influencing their perception of tariffs.

Source: Simon-Kucher; 2025 Tariff Market Study Survey
Q: To what extent have your expenses increased over the past 3 years?

Consumers expect more than half of the added cost from tariffs to be passed onto pricing

EXPECTATION FOR TARIFF COSTS PASSED ON TO CONSUMERS



Key Finding

50% of consumers expect the full burden of tariffs to be reflected in prices.

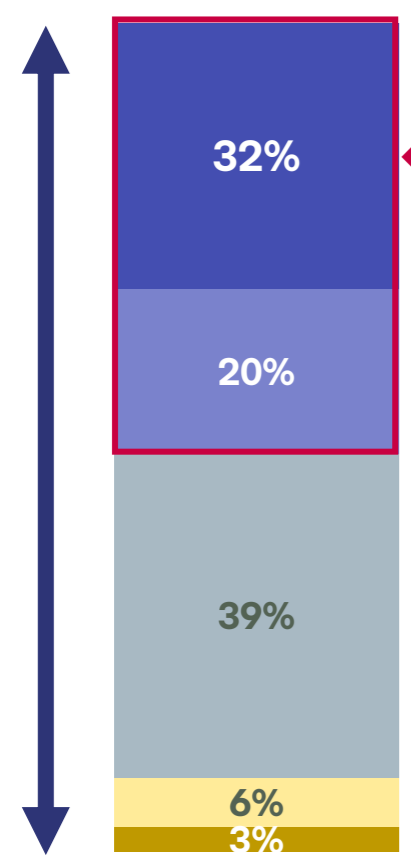
What's your plan to minimize demand impact?

Source: Simon-Kucher; 2025 Tariff Market Study Survey
Q: Assume tariffs on imported goods have been implemented in the following categories. How do you expect companies to factor these tariffs into their pricing?

Companies have the opportunity to adapt to consumers' preferences for locally made goods

CONSUMER PREFERENCE FOR PRODUCTION LOCATION

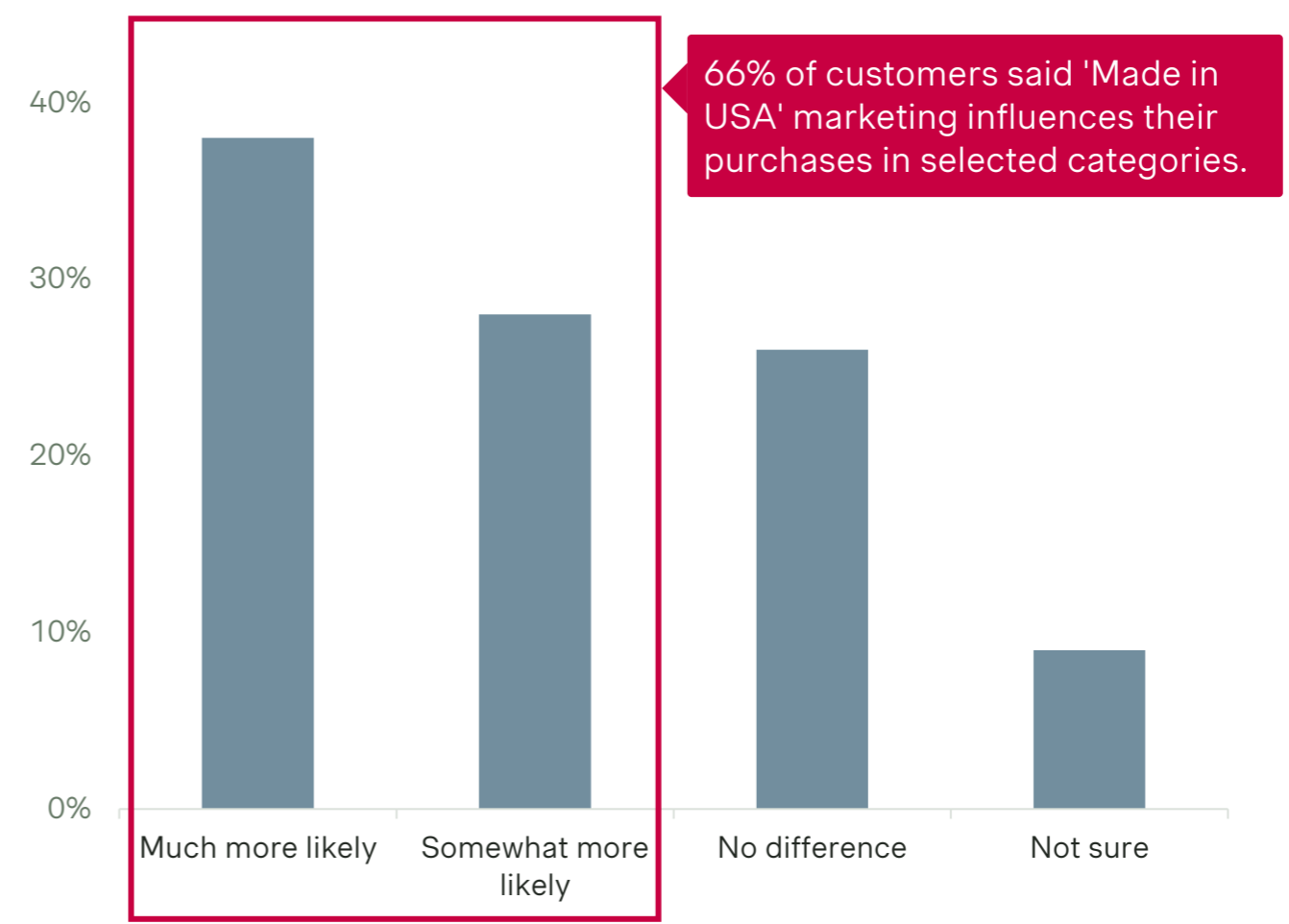
Strong preference for **domestically** manufactured product



52% of customers prefer domestically manufactured products in their selected categories.

Strong preference for **foreign** manufactured product

Consumer willingness to purchase product marketed "Made In USA"



Source: Simon-Kucher; 2025 Tariff Market Study Survey
Q: Do you have a preference for whether these product categories are manufactured domestically or abroad? & Q: Would you be more inclined to purchase products labeled as "Made in the USA" if tariffs increased prices for the following categories of imported products?

What should companies do now
to be prepared?

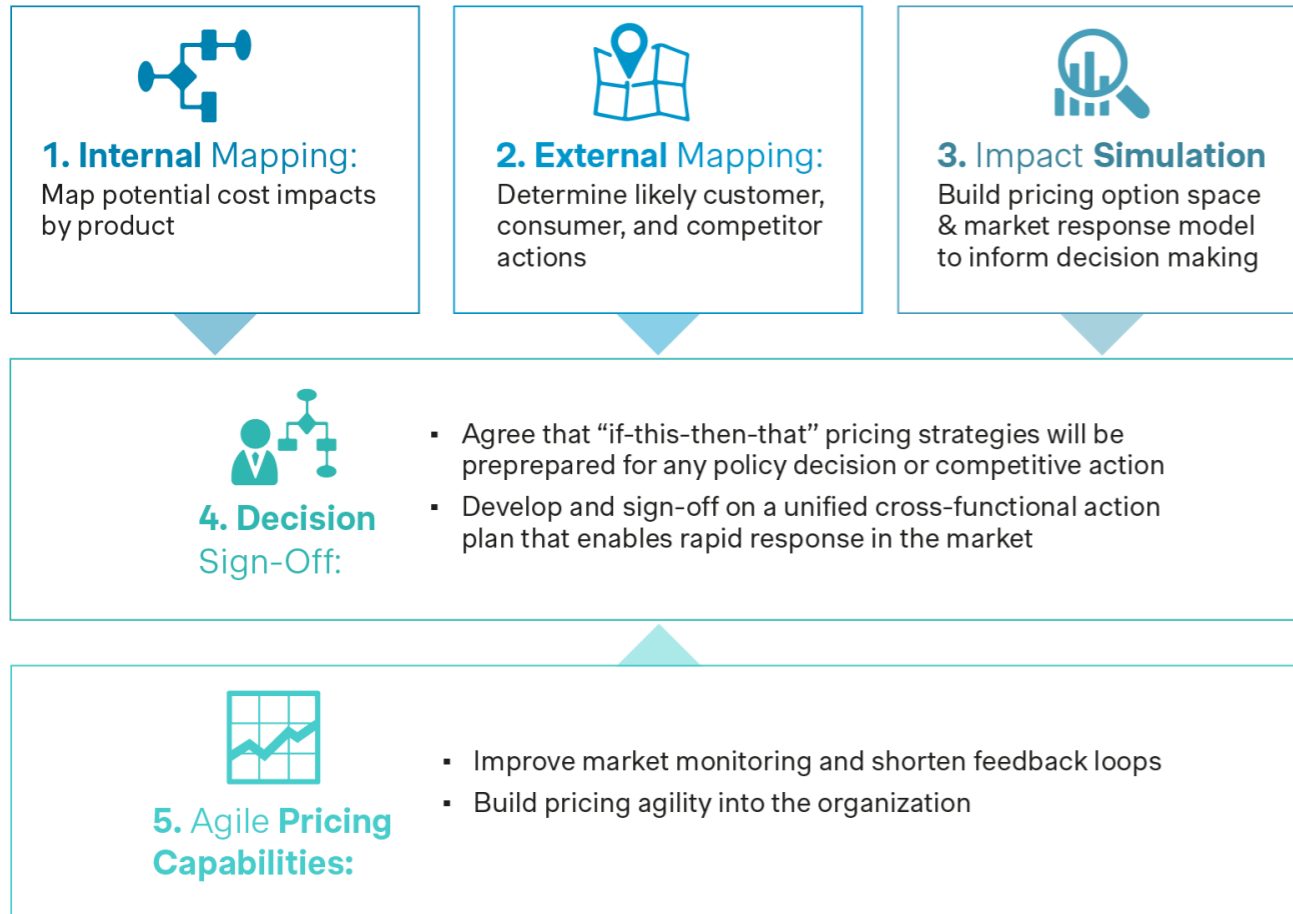
We have outlined our framework
for how to navigate tariffs in a
dynamic global economy

**Take me to more
Simon-Kucher insights!**



Managing tariffs: Simon-Kucher framework and best practices for managing tariffs and inflationary environments

Framework for managing tariffs and short-term cost changes



Pricing best practices

- ✓ **Align** pricing actions with strategic priorities—optimize for volume, revenue, or margin.
- ✓ **Gauge** market reactions within your competitive set.
- ✓ **Analyze** impact and interactions between market responses and your own price changes through scenario modeling.
- ✓ **Implement** targeted price adjustments to reinforce a value-based portfolio strategy.
- ✓ **Evaluate** consumer responses to pricing changes:
 - Trading down to lower-priced products
 - Reducing purchase quantity
 - Decreasing purchase frequency
 - Switching to competitors
 - Exiting the category altogether
- ✓ **Consider** category dynamics and anticipate where volume leakage may shift.
- ! **Avoid** reactive rollbacks that undermine long-term pricing integrity.
- ! **Prevent** disruptive volume shifts or portfolio gaps caused by misaligned pricing logic.

Cost increase pass-through: Consider multiple relevant scenarios to assess impact of cost increase pass-through depending on competitors' reaction

Illustrative example

Scenarios impacts matrix – Volume, Sales, and GM impacts



Raising prices to offset cost increases (e.g., tariffs) without competitor alignment can significantly reduce volume, sales, and gross margin.

Consumer brands and retailers should act now to be prepared for any eventualities.

Schedule your no-pressure consultation today:

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- Our clients come from 120+ industries and range from Fortune 500 and FTSE 100 firms to unicorns

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- Pioneering pricing for decades, Simon-Kucher defined the discipline – it's part of our DNA



1985
FOUNDED

46
OFFICES

31
COUNTRIES

2,000+
EMPLOYEES

200+
PARTNERS



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