

February-May

2025 US Consumer Tariff Market Study

Survey insights

Introduction

This study provides a comprehensive analysis of how impending tariff policies influence US consumer sentiment and spending behavior

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Welcome to the February to May insights from Simon-Kucher's 2025 US Consumer Tariff Market Study♦

This study is conducted and repeated monthly to uncover 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 sub-verticals and industry needs. If you're interested in a customized analysis, our experts are available to refine the data to your requirements.

Simon-Kucher’s 2025 Tariff Market Study February to May insights covered a diverse sample



The online study evaluates

Impact of impending tariff policies on consumer sentiment and spending behavior

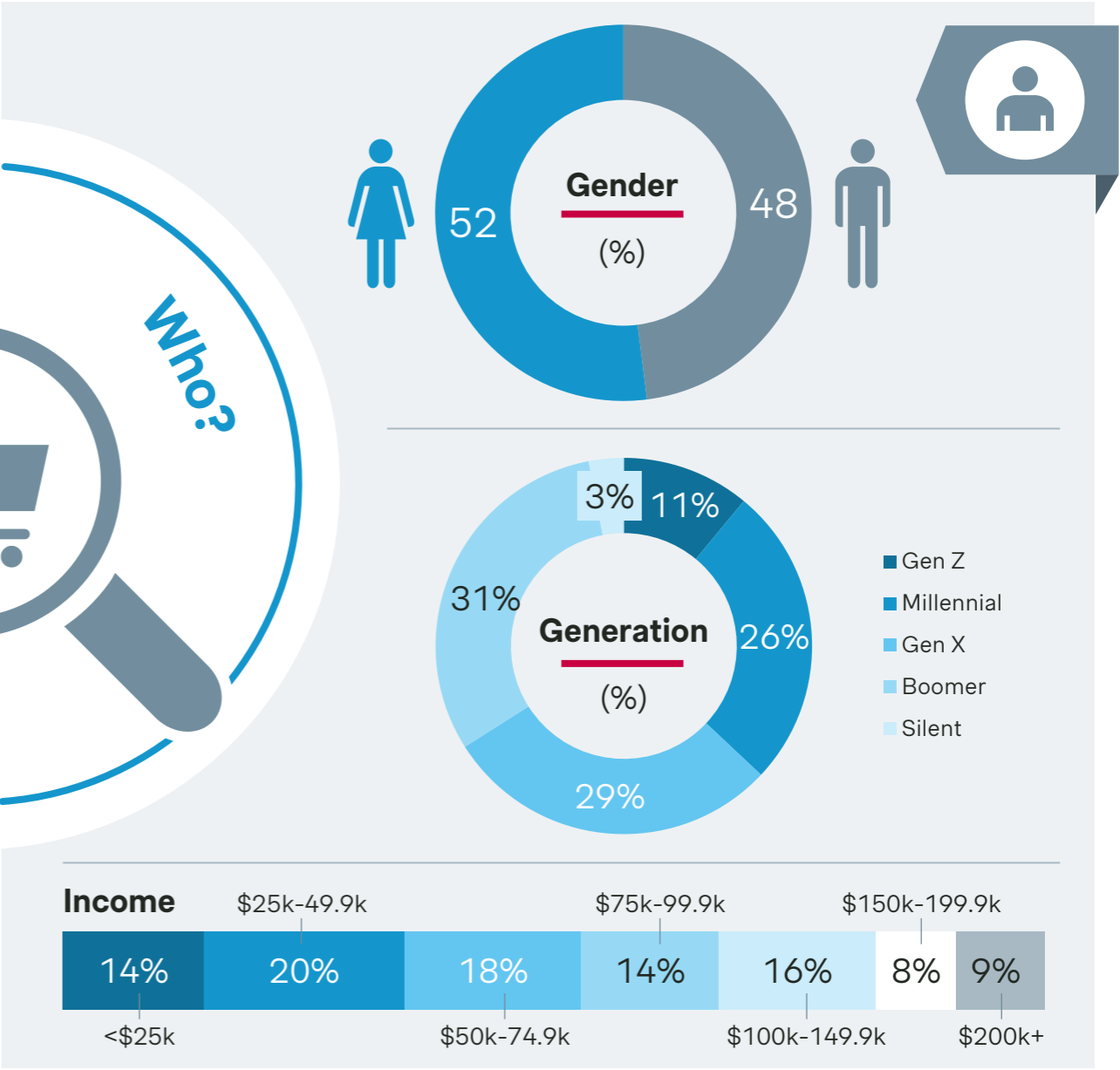
United States

What?

Who?

Where?

Sample size:
3,000+ everyday consumers



In an evolving landscape, consumers are expecting tariffs to depress their purchasing and behavior, but there are ways and means that companies can avoid this downturn



Consumer sentiment

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

- General awareness of tariffs is **low**, with ~1 in 3 **consumers** fully understanding their implications
- **70% of consumers** see tariffs as direct tax on imported goods, while **20%** believe they help protect domestic industries
- While most consumers **expect tariffs to affect** their daily lives, **outcome polarizes: Harmful** for **48% of women** & 45% of men; **beneficial** for 29% of women & **35% of men**



Product category split

What product categories are consumers most sensitive to?

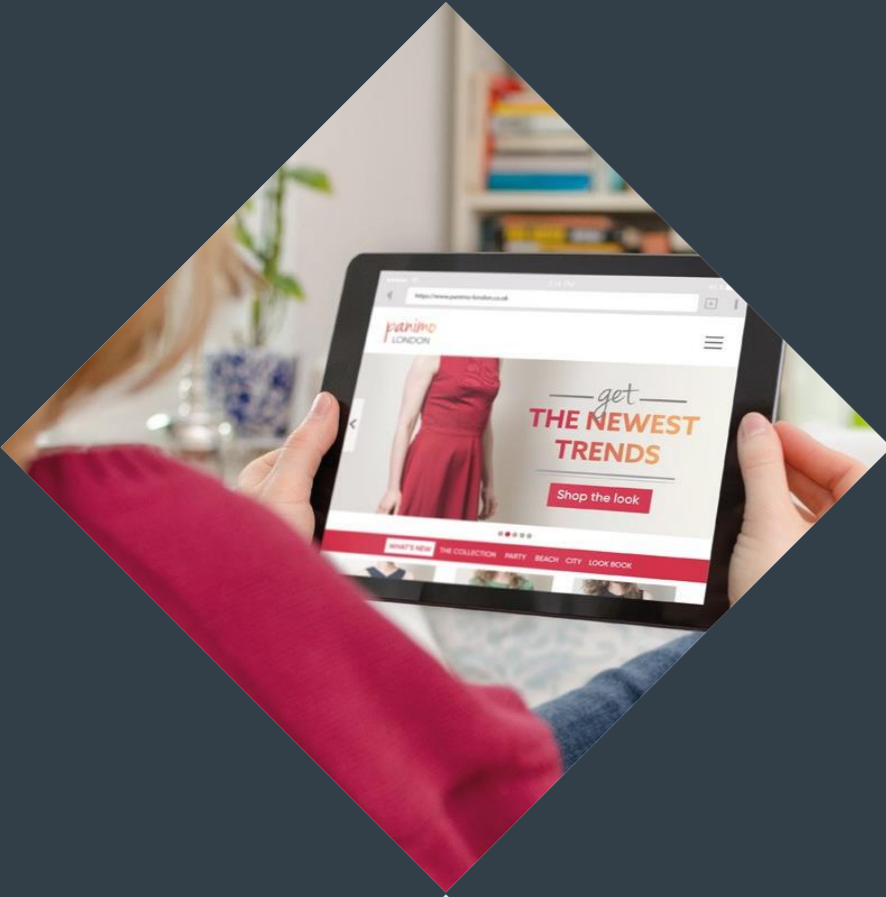
- Consumers **feel pressure**, but overall perception is that price levels are **mostly not too expensive yet**
- However, price increase tolerance **varies by category**, with core essentials seeing **higher resilience** to inflation than non-essential purchases
- **Some consumers** plan to **decrease their spending** – focusing more on **promotions, trading down** or **stop purchasing** for now



Reactions & mitigation

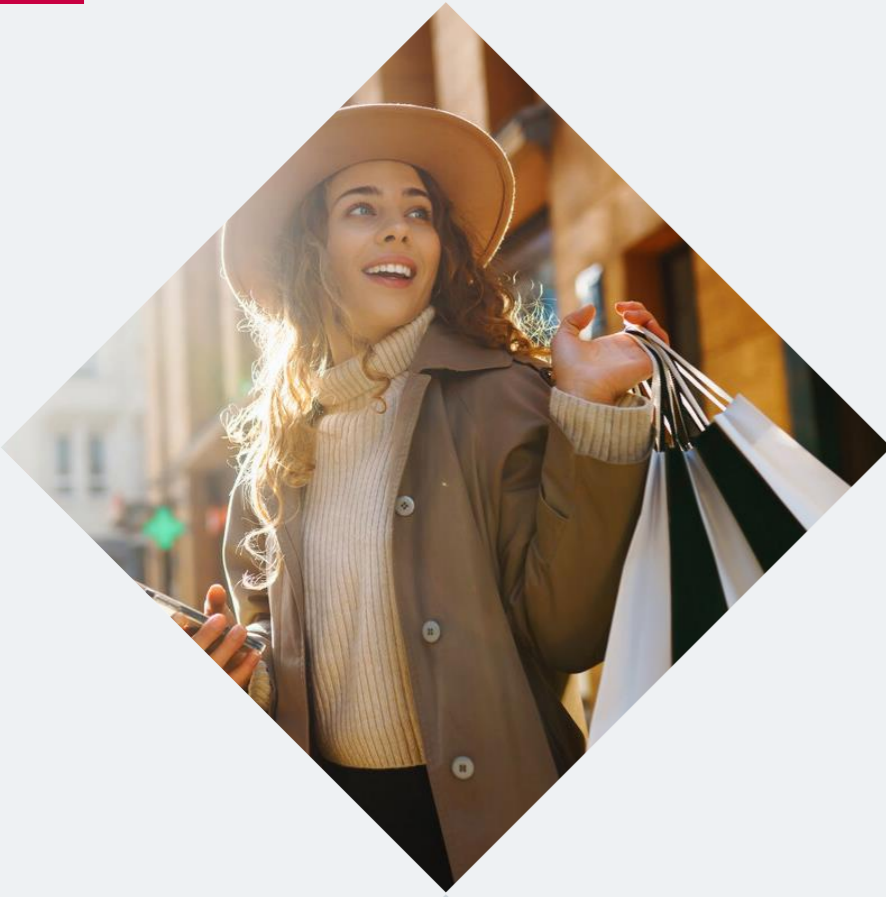
What are consumers going to do and how can companies react?

- 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



1 ♦

Consumer sentiment



“ **As consumers become more informed about tariffs and their impact, expect a shift from reactive purchasing to more intentional**



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

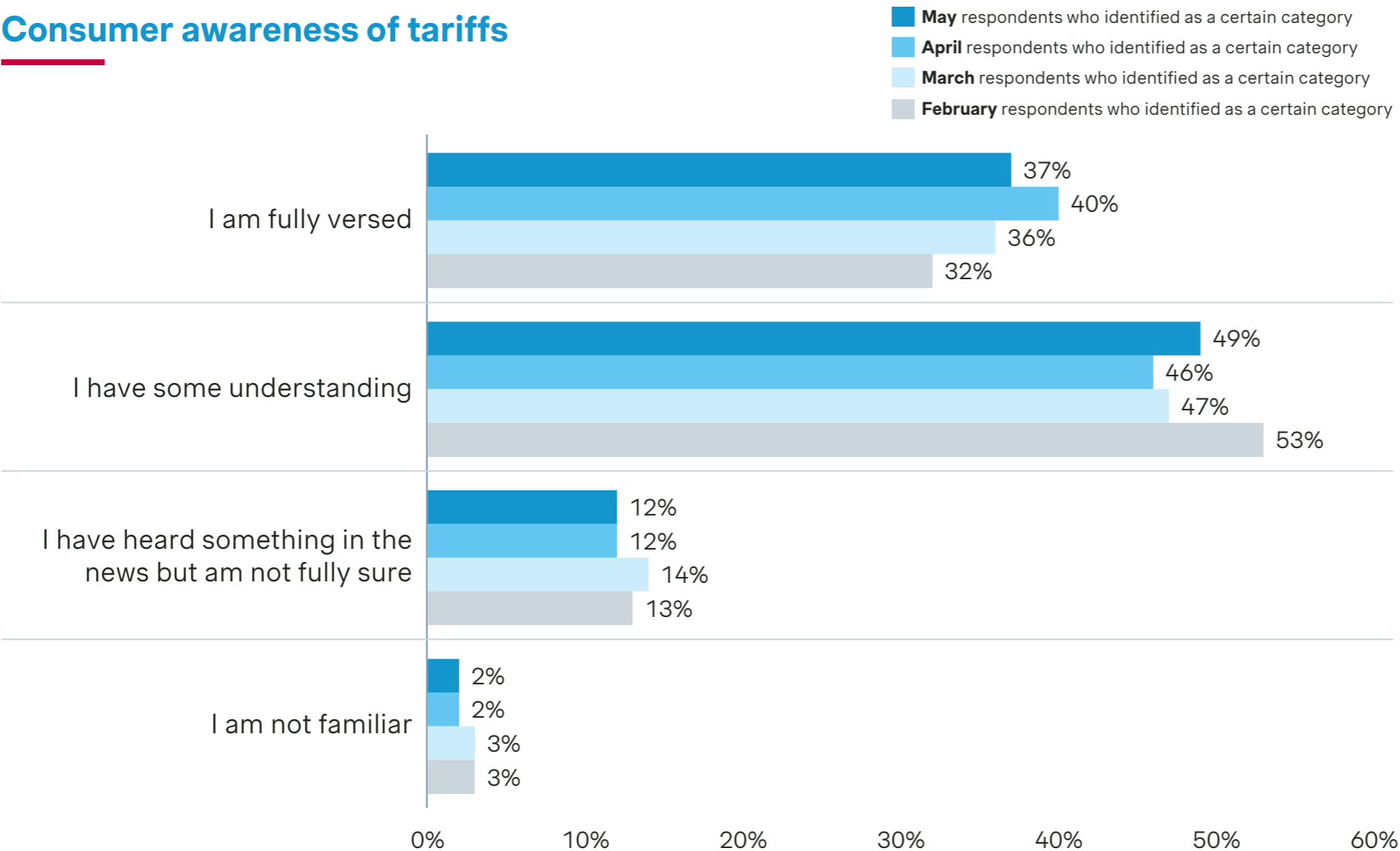
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Matthew Suggett, Partner, Simon-Kucher

Consumers knowledge of tariffs has begun to level out, suggesting that there is still a lot of noise and confusion



Consumer awareness of tariffs



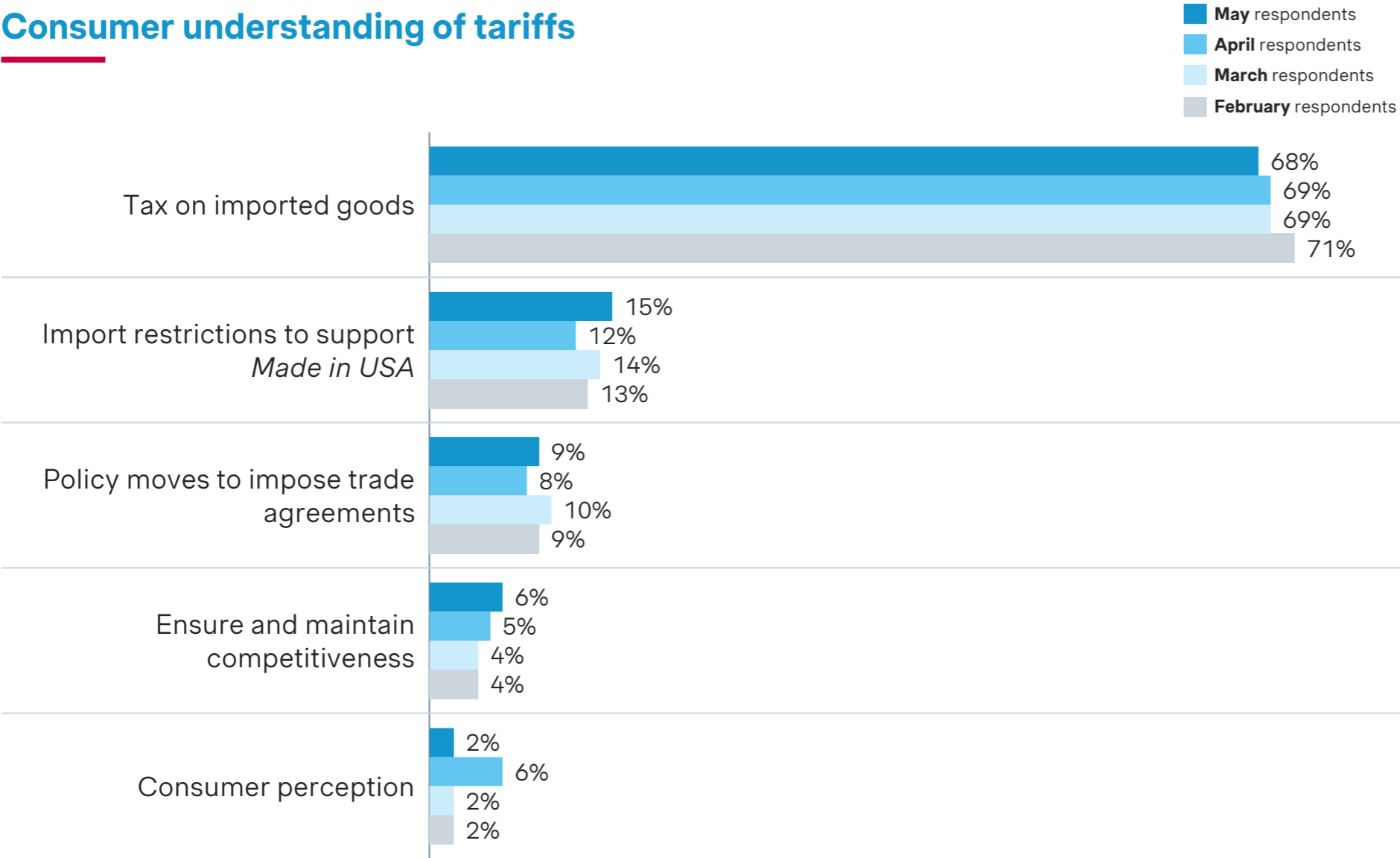
Key findings



Full understanding of tariffs slightly shrunk, suggesting that consumers are still susceptible to misconceptions and potentially hesitant to commit

Consumer sentiment is unchanged, with ~70% of consumers see tariffs just as a tax on other trade regions, and 20% believe they protect domestic jobs

Consumer understanding of tariffs



Key findings



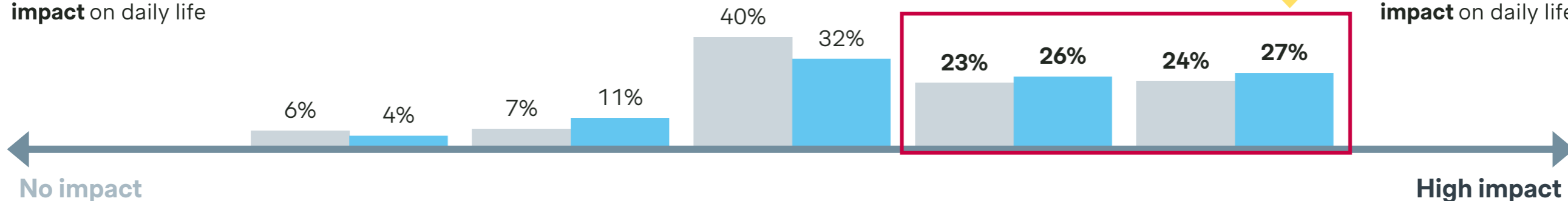
Similar to last month, consumers still overwhelmingly view tariffs as a price hike:

68% see them as a direct tax on imported goods

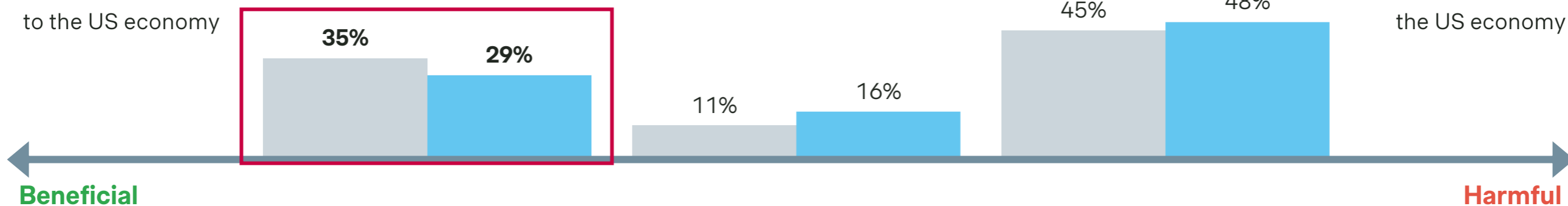
General expectation that tariffs will have at least some impact remains; gender gap on perceived benefits is increasing compared to previous month

Consumer perception of tariffs across gender

Consumers expect tariffs will have **no impact** on daily life



Consumers believe tariffs are **beneficial** to the US economy





2.

Product category split



“ **More than half of consumers now expect price hikes from tariffs to hit their wallets, especially in personal care, footwear and fuel** ♦

That expectation is reshaping the value equation across categories, and smart brands will meet it with clarity, creativity, and category-specific strategies.

”

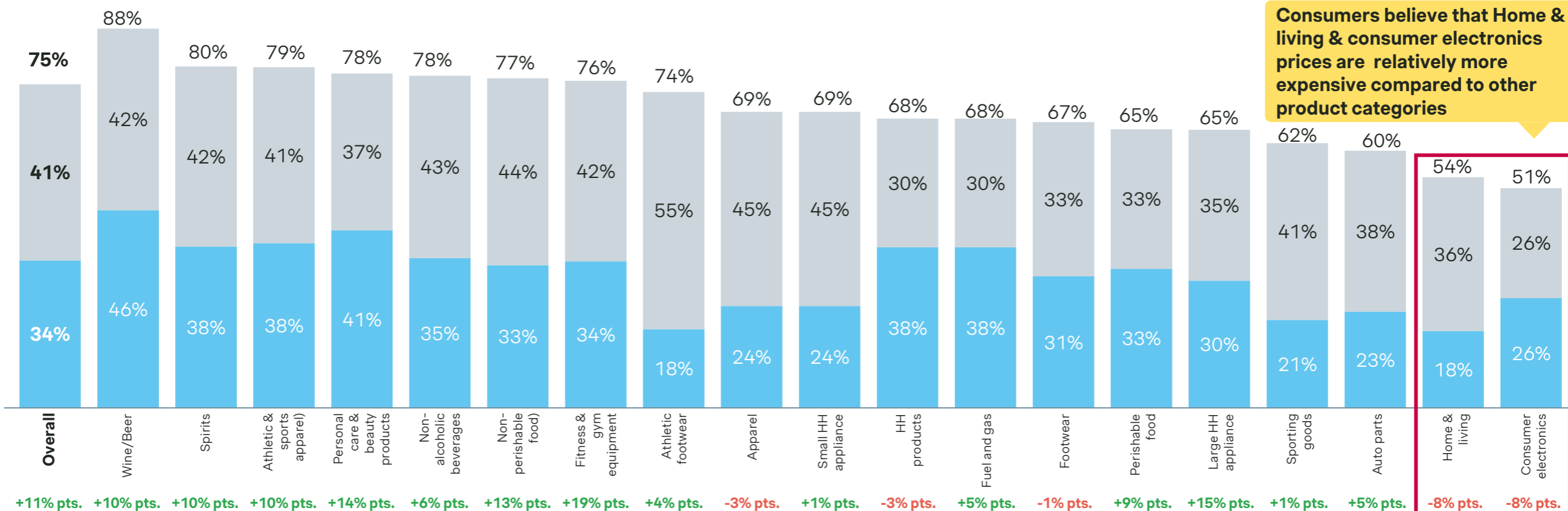
Shikha Jain, Partner, Simon-Kucher

Broad perception of rising costs is emerging among consumers, but majority assesses price levels to range between fair value and slightly expensive - stark difference across categories

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May (vs. previous months)

Current price perception by product categories: Fair value to slightly expensive



Reading example

More consumers now view prices as fair or only slightly expensive, up 11% pts. in May 2025 vs. previous 3 months¹ signaling a shift in perception that creates headroom for companies to reinforce value before concerns escalate.

1: Average for February – April responses; Simon-Kucher 2025 US Consumer Tariff Study (N = 3,015)

Q: How do you feel about current price levels in comparison to the goods you purchase?

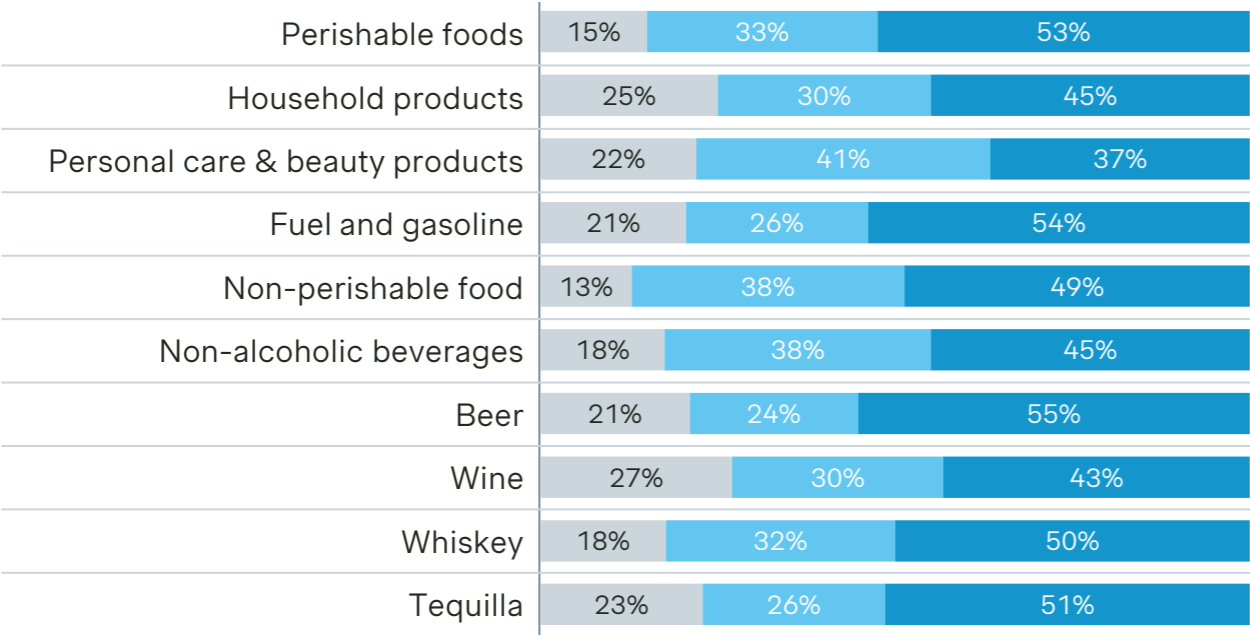
Significant share of consumers still anticipates increased spending in the upcoming month(s) for essentials, while discretionary spending is selectively adjusted

Anticipated change in spending vs. previous month/12 months by product category: Consumer perception

Decreased Unchanged Increased

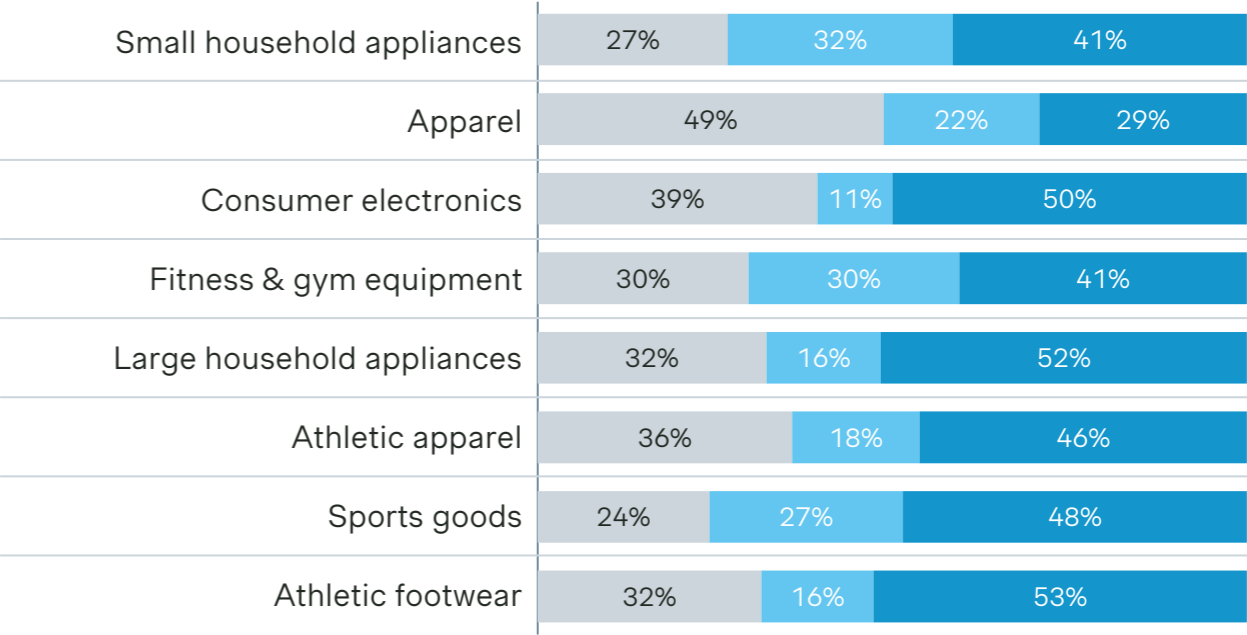
Essential goods

Breakdown of change across respondents



Discretionary goods

Breakdown of change across respondents



Key insights

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

All respondents

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	6% 50% 34% 10%	5%	-7%	-11%	13%	2%	-12%	-14%	24%
	Sporting goods	16% 41% 32% 10%	-4%	3%	-4%	5%	-5%	-5%	-5%	15%
	Large household appliances	15% 45% 30% 9%	-4%	5%	-4%	3%	-6%	-8%	-3%	16%
	Consumer electronics	14% 43% 40% 3%	1%	-1%	-11%	11%	-2%	-7%	-16%	25%
Mixed sensitivity	Non-alcoholic beverages	18% 48% 28% 6%	-1%	-3%	2%	2%	-7%	-2%	0%	10%
	Small household appliances	12% 50% 34% 5%	1%	-1%	-6%	6%	-1%	-9%	-5%	16%
	Apparel	13% 41% 42% 5%	-3%	-1%	-1%	5%	-2%	-6%	-6%	14%
Least sensitive	Personal care & beauty products	16% 53% 27% 4%	-3%	-4%	3%	3%	-6%	-4%	4%	6%
	Household products	15% 50% 31% 4%	-4%	1%	1%	2%	-5%	1%	-2%	6%
	Non-perishable food	15% 50% 32% 3%	0%	2%	-3%	2%	-4%	-3%	2%	5%
	Perishable foods	16% 43% 37% 3%	-2%	-2%	1%	2%	-5%	-3%	2%	6%



Key insights

Consumer reactions increase when assessing price increases from 5% up to 20%, but they differ by category – sensitive, discretionary categories see significant down-trading or stop of purchase early on

Simon-Kucher 2025 US Consumer Tariff Study (N = 3,015); 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?

Hesitation to leverage discretionary especially high around spending for non-essential goods, but sensitivity is decreasing from initial levels in February

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All respondents

Anticipated purchasing reactions to 5% price increases caused through tariffs by product category

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

Sensitivity to a 5% increase fluctuates, but mostly is lower than indicated in February

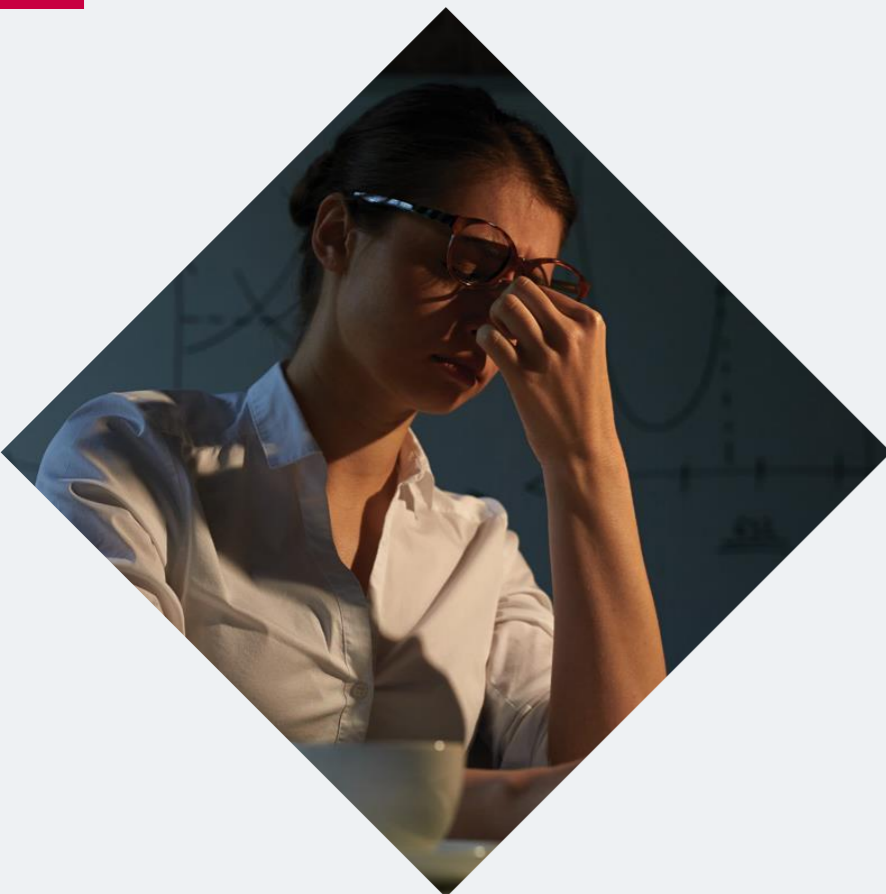
Group	Categories	Anticipated reactions to a 5% increase in Feb. 2025				Anticipated reactions to a 5% increase in Mar. 2025				Anticipated reactions to a 5% increase in Apr. 2025				Anticipated reactions to a 5% increase in May 2025			
Most sensitive	Fitness & gym equipment	5%	43%	33%	18%	3%	56%	24%	18%	6%	50%	34%	11%	6%	49%	40%	6%
	Sporting goods	9%	43%	36%	12%	13%	58%	21%	8%	16%	43%	31%	10%	21%	24%	44%	12%
	Large household appliances	9%	39%	40%	11%	18%	50%	25%	8%	15%	45%	30%	10%	14%	43%	38%	5%
	Consumer electronics	13%	49%	31%	8%	20%	45%	25%	10%	14%	43%	40%	4%	15%	47%	38%	0%
Mixed sensitivity	Non-alcoholic beverages	12%	43%	38%	7%	28%	45%	23%	5%	17%	49%	29%	6%	28%	45%	23%	5%
	Small household appliances	8%	44%	43%	6%	20%	50%	25%	5%	11%	49%	35%	5%	14%	55%	29%	2%
	Apparel	8%	45%	41%	5%	10%	55%	29%	7%	12%	42%	41%	5%	20%	40%	30%	10%
Least sensitive	Personal care & beauty products	13%	46%	38%	4%	13%	62%	23%	3%	15%	53%	28%	4%	20%	54%	24%	2%
	Household products	10%	42%	44%	4%	15%	58%	25%	3%	15%	51%	30%	4%	15%	48%	38%	0%
	Non-perishable food	10%	49%	38%	3%	17%	55%	26%	2%	14%	50%	32%	3%	21%	44%	31%	5%
	Perishable foods	12%	45%	40%	3%	19%	40%	36%	5%	16%	44%	36%	3%	18%	35%	48%	0%

Higher focus on cheaper purchase options (e.g., promo, less units)

Simon-Kucher 2025 US Consumer Tariff Study (N = 3,015); 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?

Reactions & mitigation

3. ♦



“ **Many business leaders are stuck in wait-and-see mode, but in this environment, hesitation is a risk ♦**

Now is the time to act decisively, reassess pricing, engage customers transparently, and build resilience into your commercial model before pressure turns into lost ground.

”

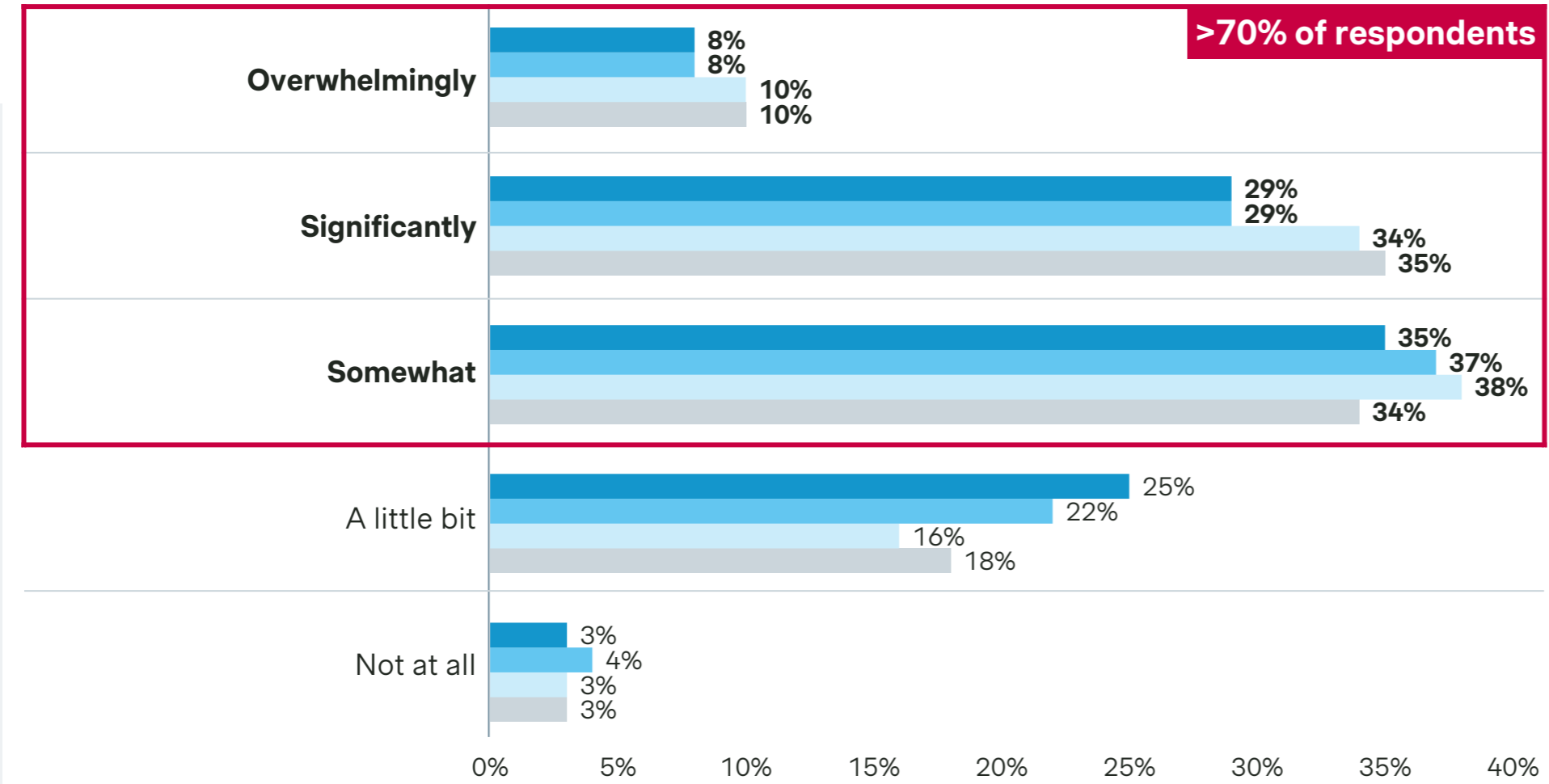
Max Walter, Director, Simon-Kucher

Sensitivity felt by consumers due to inflation over the past 3 years has remained consistent



~3/4 of consumers have felt noticeable inflation in the last 3 years, influencing their perception of tariffs

- May respondents who identified as a certain category
- April respondents who identified as a certain category
- March respondents who identified as a certain category
- February respondents who identified as a certain category



Key findings



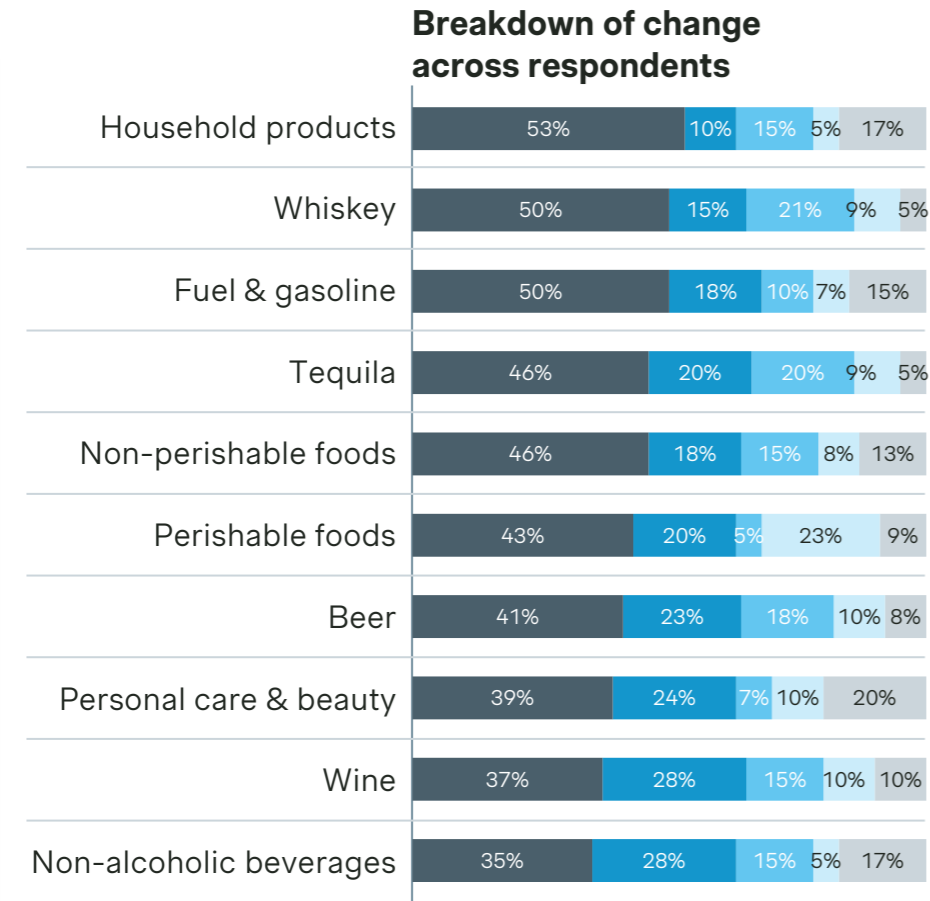
~3/4 of consumers have felt noticeable inflation in the last 3 years, influencing their perception of tariffs.

Consumers expect essential goods to pass on the cost of the tariffs at a higher rate than discretionary goods

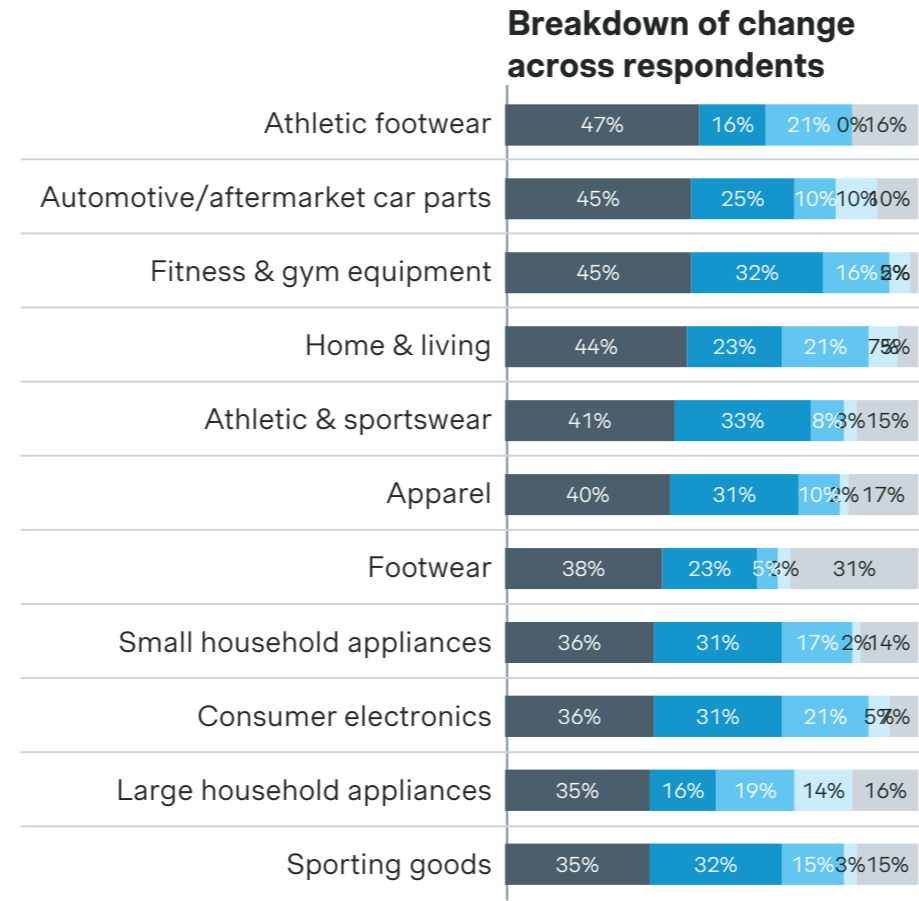
Expectation for tariff costs passed on to consumers

Full pass on to consumers Half pass on to consumers <Half pass on to consumers 0% pass on to consumers Unsure pass on to consumers

Essential goods



Discretionary goods



May

Key findings



35% - 50% of consumers expect the full burden of tariffs to be reflected in prices.

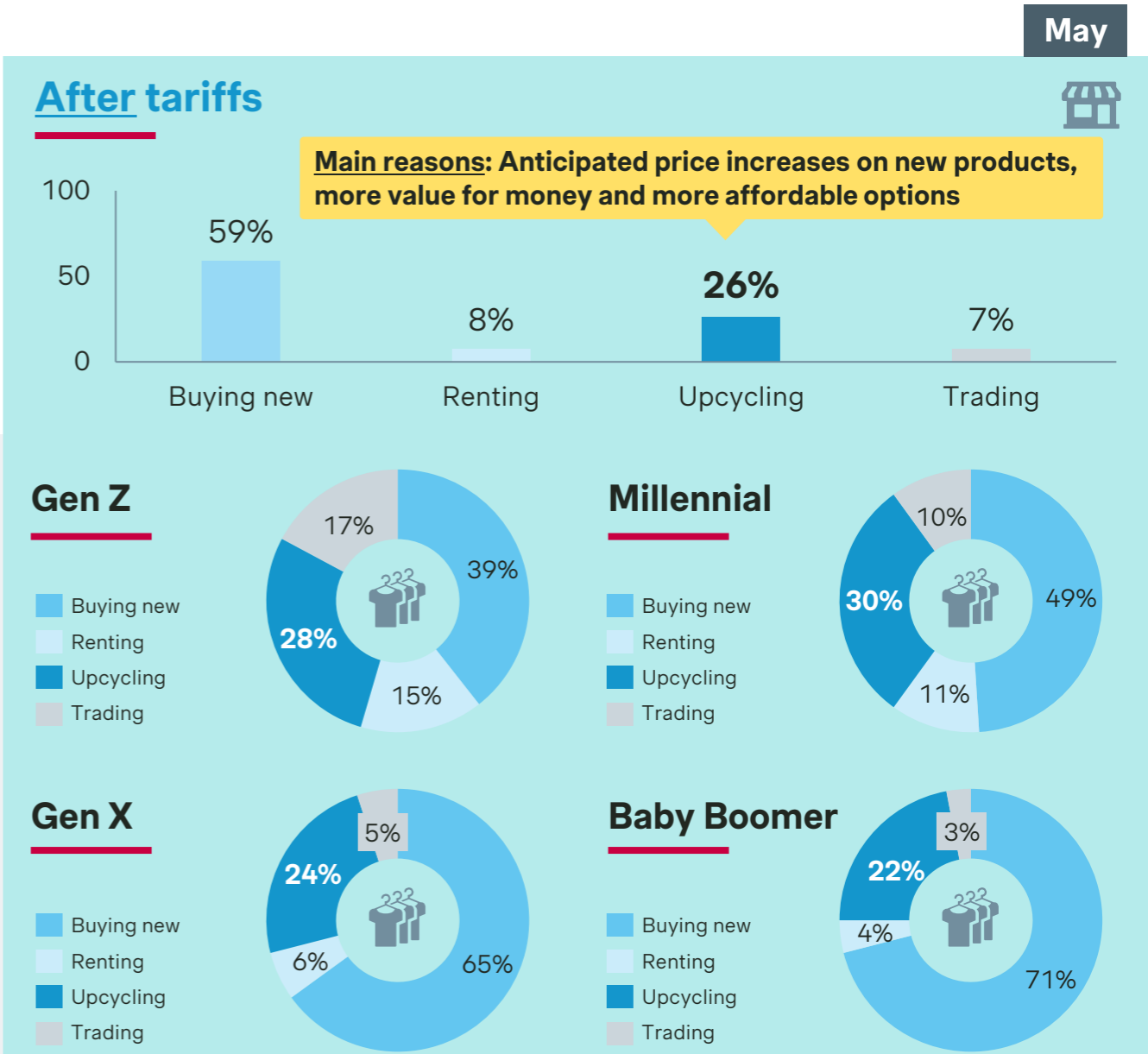
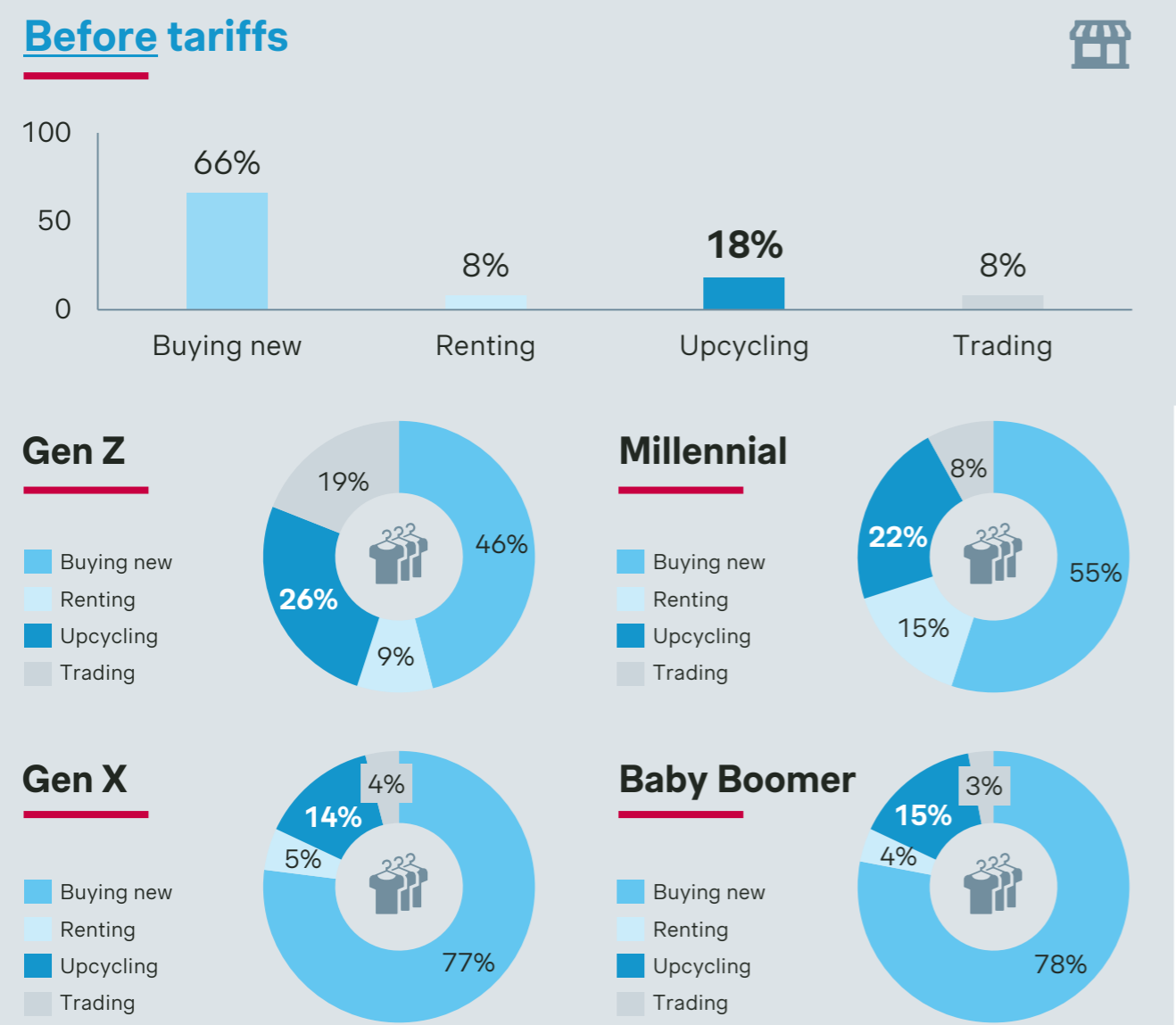
This makes value communication and pricing strategy critical to protect demand.

What's your plan to minimize demand impact?

Deep-dive Fashion - Tariffs trigger upcycling readiness: Share increases from 18% to 26%; Gen Z and Millennials lead the way, but Gen X and Baby Boomers follow



Average % of wardrobe by clothing store



Simon-Kucher 2025 US Consumer Tariff Study (N = 3,015)
Q: Thinking about how you acquire clothing today, approximately what percentage of your wardrobe comes from each of the following sources? As a result of tariffs, how do you expect your clothing acquisition habits to change?
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Next steps

4. 

Be prepared



What should
companies
do now to
be prepared?

The Simon-Kucher **Tariff Navigation Framework.**

We have outlined
our framework on
**how to best navigate
tariffs in a dynamic
global economy**

**Click
for more
Simon-Kucher
insights!**

Ongoing process for navigating tariff turbulence for CG manufacturers/suppliers:

Key pillars to ensure rapid results are captured




Ensuring execution success for CG manufacturers/suppliers: Compelling narratives and diligent preparation equip sales teams to successfully take tariff prices to market


Simon-Kucher project example


Execution success: Developing a robust story-to-trade and equipping the sales teams will be key to success

Example: Retailer Sell-In Deck



Example: Objection Handling Battle Cards



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Key takeaway

Sell-in and objection handling material can be additionally supported by:

- ✔ Concession planning
- ✔ Sales role plays
- ✔ Etc.

Retailer responses to tariffs from CG manufacturers/suppliers: Retailers are overwhelmed by the volume of price requests



List price changes

Temporary “tariff surcharges” are a non-starter

- Retailers tend not to accept a temporary surcharge: their systems can’t manage it.
- Retailers are asking for **list price changes** only



Retailers are overwhelmed

Retailers are overwhelmed – but there is an opening

- Most are fielding **hundreds or thousands of price requests** simultaneously
- Most retailers are asking for **line-item proof of tariff impact** before accepting price changes
- Still, some suppliers are passing differentiated increases by:
- **Strategically shaping increases** by product against consumer price elasticity, strategic product role, and expected competitor actions
- **In aggregate the actions are designed to recover** broader margin loss



Faster execution

Faster execution is possible – with the right incentives

Suppliers are pushing for **30-day, rather than the typical 90-day, implementation** in contracts

What’s working:

Carrots:

- Retailer **inventory programs** (special payment terms, relaxed PO caps)
- Offer **light promo boosts** in next quarter/half

Sticks:

- **Threaten to stop ship** if delays pass critical thresholds

Tactical steps in an environment of extended tariff uncertainty should consider multiple criteria



Define actions depending on the respective situation among the following criteria

Criteria	Option space (selection only)			Potential considerations& solutions
Price level	Aggressive: Price leader	On par: Market level	Value-focused: Premium position	Move to (next) key thresholds – while maintaining strategic positioning
Price change	One adjustment “rip band-aid off”	Delay to observe “wait & see”	Dynamic “follow market”	Prepare right communication of adjustments to achieve consumer acceptance
Price increase mechanism	Baked into existing prices	Combined with new / (re)-launches	Clearly separated	Balance short-term feasibility with market perception and mid-term strategy
Product / category role	Long-tail	Add-on	Hero product	Maintain price image / position for top SKUs but increase long-tail to rebalance margin
Promotional activities	Cut back to protect	Maintain to mitigate degree of change	Increase to balance price changes	Evaluate profitability (both % and \$) as well as market share (volume) opportunities/needs
Cost base volatility	High or unpredictable	Mixed results	Limited range of impact	Clarify exposure and sourcing options to derive strategic reaction in Pricing



Reactions and push-back from wholesale customers / retailers to be factored in

Move fast

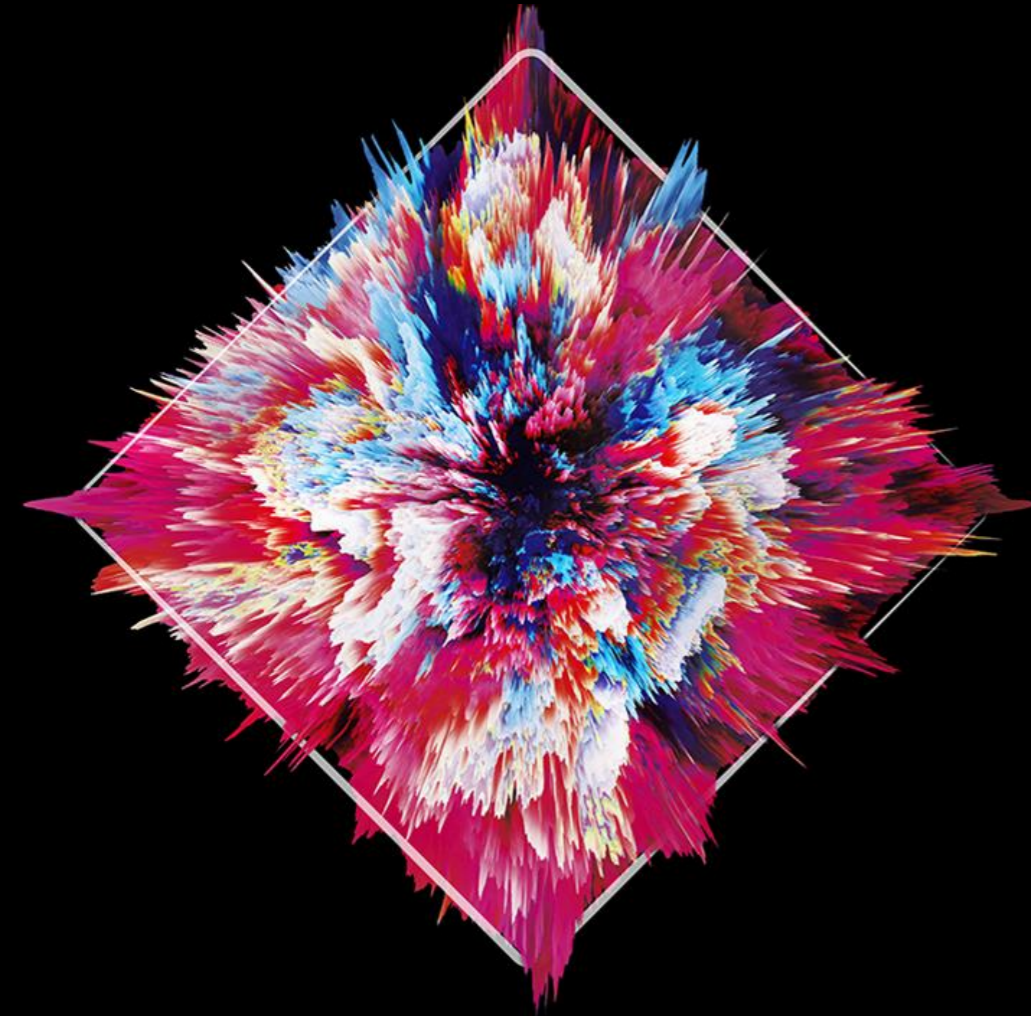
Consumer
brands
and retailers
should
act now!

Implement
commercial levers
**to mitigate your
Tariff Exposure ♦**

Acting now will
prepare you for all
eventualities.

**Schedule a no-pressure
consultation today.**

**Click here
to schedule
your
appointment**



9 years in a row



1985

founded

46

offices

31

countries

2,000+

employees

200+

partners

Simon-Kucher is the leading global consulting firm specializing in
Unlocking Better Growth 

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- Our partners and experienced leadership team are hands on and deliver results at pace

Our clients

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

Our sector expertise

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- Technology Media & Telecoms
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